

SPECIAL REVENUE FUNDS					
DOWNTOWN OPERATIONS			MISCELLANEOUS GOVERNMENTAL FUNCTIONS		
DOWNTOWN PARKING SYSTEM FUND	DOWNTOWN SNOWMELT FUND	PRINCIPAL SHOPPING DISTRICT FUND	CONTESTED ASSESSMENTS FUND	CATV - PUBLIC ACCESS TV FUND	REVOLVING CASH ASSISTANCE FUND
\$ 122,600	\$ 69,218	\$ 109,805	\$ -	\$ -	\$ 90,685
-	-	-	-	-	-
-	-	-	-	-	-
5,698	-	4,268	-	-	-
-	-	-	-	196,688	-
-	-	17,850	-	-	-
1,675	7,192	1,273	-	795	9,296
-	-	-	50,319	-	-
129,973	76,410	133,196	50,319	197,483	99,981
-	-	-	130,102	180,615	30,428
-	-	-	-	-	-
-	-	-	-	-	-
131,251	47,465	146,473	-	-	-
-	-	3,685	-	-	-
1,049	-	-	-	-	-
-	-	-	-	-	-
132,300	47,465	150,158	130,102	180,615	30,428
(2,327)	28,945	(16,962)	(79,783)	16,868	69,553
-	20,375	-	75,000	-	-
(12,632)	-	-	-	-	(246,298)
(12,632)	20,375	-	75,000	-	(246,298)
(14,959)	49,320	(16,962)	(4,783)	16,868	(176,745)
96,296	297,421	91,318	49,302	79,789	291,989
\$ 81,337	\$ 346,741	\$ 74,356	\$ 44,519	\$ 96,657	\$ 115,244

(Continued)

CITY OF HOLLAND, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS		
	MISCELLANEOUS GOVERNMENTAL FUNCTIONS		
	SPECIFIED DONATIONS FUND	DANGEROUS STRUCTURES FUND	EMPLOYEES BENEFIT FUND
REVENUES:			
Special assessments	\$ -	\$ -	\$ -
Property taxes	-	-	-
Intergovernmental	-	-	-
Charges for services	-	29,242	8,230
Fines and fees	-	-	1,327
Contributions from private sector	33,789	-	-
Interest and rents	-	-	136
Miscellaneous	-	-	-
Total revenues	33,789	29,242	9,693
EXPENDITURES:			
Current			
General government	10,583	30,773	8,854
Public safety	-	-	-
Public works	-	-	-
Welfare and social services	-	-	-
Culture and recreation	-	-	-
Capital outlay	63,517	-	-
Debt services			
Interest and fiscal charges	-	-	-
Principal retirement	-	-	-
Total expenditures	74,100	30,773	8,854
Excess (deficiency) of revenues over expenditures	(40,311)	(1,531)	839
OTHER FINANCING SOURCES (USES):			
Transfers in	2,559	-	-
Transfers out	-	-	-
Total other financing sources (uses)	2,559	-	-
NET CHANGE IN FUND BALANCES	(37,752)	(1,531)	839
FUND BALANCE - Beginning of year	81,998	5,618	5,985
FUND BALANCE - End of year	\$ 44,246	\$ 4,087	\$ 6,824

SPECIAL REVENUE FUNDS				
PROPERTY AND IMPROVEMENTS				
PROPERTY ACQUISITION FUND	UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	AIRPORT DONATIONS FUND	MEDC UNIFORM COLOR GRANT FUND	
\$ -	\$ -	\$ -	\$ -	
55,478	-	-	-	
-	-	-	357,611	
499	1,458	-	-	
-	-	-	-	
-	-	80,033	-	
3,259	-	566	-	
-	-	-	-	
59,236	1,458	80,599	357,611	
12,257	10,159	-	-	
-	-	-	357,611	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
12,257	10,159	-	357,611	
46,979	(8,701)	80,599	-	
-	6,821	-	-	
(18,125)	-	(80,033)	-	
(18,125)	6,821	(80,033)	-	
28,854	(1,880)	566	-	
97,477	4,800	5,350	-	
\$ 126,331	\$ 2,920	\$ 5,916	\$ -	

(Continued)

CITY OF HOLLAND, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS		
	PUBLIC SAFETY		
	POLICE CRIMINAL JUSTICE TRAINING FUND	POLICE COMMUNITY RELATIONS FUND	ANIT-DRUG ABUSE WEMET GRANTS FUND
REVENUES:			
Special assessments	\$ -	\$ -	\$ -
Property taxes	-	-	-
Intergovernmental	13,566	-	99,579
Charges for services	-	-	-
Fines and fees	-	-	-
Contributions from private sector	-	1,477	-
Interest and rents	-	730	-
Miscellaneous	-	-	-
Total revenues	13,566	2,207	99,579
EXPENDITURES:			
Current			
General government	-	-	-
Public safety	13,139	18,410	198,284
Public works	-	-	-
Welfare and social services	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt services			
Interest and fiscal charges	-	-	-
Principal retirement	-	-	-
Total expenditures	13,139	18,410	198,284
Excess (deficiency) of revenues over expenditures	427	(16,203)	(98,705)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	98,705
Transfers out	-	-	-
Total other financing sources (uses)	-	-	98,705
NET CHANGE IN FUND BALANCES	427	(16,203)	-
FUND BALANCE - Beginning of year	1,148	37,832	-
FUND BALANCE - End of year	\$ 1,575	\$ 21,629	\$ -

SPECIAL REVENUE FUNDS			
PUBLIC SAFETY			
OHSP GRANTS FUND	LAW ENFORCEMENT BLOCK GRANTS FUND	FEMA FIREFIGHTERS GRANT FUND	HOMELAND SECURITY GRANT FUND
\$ -	\$ -	\$ -	\$ -
-	-	-	-
85,438	46,221	30,998	33,925
-	-	-	-
-	-	-	-
-	377	-	-
-	-	3,223	-
85,438	46,598	34,221	33,925
-	-	-	-
51,310	-	37,665	33,925
-	-	-	-
-	-	-	-
34,128	54,249	-	-
-	-	-	-
-	-	-	-
85,438	54,249	37,665	33,925
-	(7,651)	(3,444)	-
-	7,196	3,444	-
-	-	-	-
-	7,196	3,444	-
-	(455)	-	-
-	635	-	-
\$ -	\$ 180	\$ -	\$ -

(Continued)

CITY OF HOLLAND, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS		
	CULTURE AND COMMUNITY IMPROVEMENT		
	DISTRICT LIBRARY TAXATION FUND	BICENTENNIAL CELEBRATION FUND	MSHDA GRANTS FUND
REVENUES:			
Special assessments	\$ -	\$ -	\$ -
Property taxes	1,504,316	-	-
Intergovernmental	-	-	229,138
Charges for services	-	-	-
Fines and fees	-	-	-
Contributions from private sector	-	-	-
Interest and rents	-	154	-
Miscellaneous	-	-	-
Total revenues	1,504,316	154	229,138
EXPENDITURES:			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Welfare and social services	-	-	229,138
Culture and recreation	1,502,908	-	-
Capital outlay	-	-	-
Debt services			
Interest and fiscal charges	-	-	-
Principal retirement	-	-	-
Total expenditures	1,502,908	-	229,138
Excess (deficiency) of revenues over expenditures	1,408	154	-
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	1,408	154	-
FUND BALANCE - Beginning of year	2,389	6,736	-
FUND BALANCE - End of year	\$ 3,797	\$ 6,890	\$ -

SPECIAL REVENUE FUNDS						
CULTURE AND COMMUNITY IMPROVEMENT				DEBT SERVICE FUNDS		
CDBG GRANTS FUND	IMLS NATURE GRANT FUND	NIP GRANT FUND	BUDGET STABILIZATION FUND	GENERAL OBLIGATION DEBT	ACT 175 STREET DEBT	SPECIAL ASSESSMENT DEBT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,157
-	-	-	-	2,206,584	-	-
361,844	19,242	-	-	-	-	-
-	-	-	-	-	-	-
166,713	-	6,038	-	-	-	-
-	-	-	-	10,185	-	117,414
-	-	-	-	-	-	-
528,557	19,242	6,038	-	2,216,769	-	307,571
-	-	-	116,439	1,615,256	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
528,557	-	-	-	-	-	-
-	44,154	6,038	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	5,625	124,610	119,928
-	-	-	-	12,500	560,000	226,975
528,557	44,154	6,038	116,439	1,633,381	684,610	346,903
-	(24,912)	-	(116,439)	583,388	(684,610)	(39,332)
19,076	24,912	-	-	103,655	684,610	-
(19,076)	-	-	-	(684,610)	-	-
-	24,912	-	-	(580,955)	684,610	-
-	-	-	(116,439)	2,433	-	(39,332)
-	-	-	1,872,659	2,000	-	935,875
\$ -	\$ -	\$ -	\$ 1,756,220	\$ 4,433	\$ -	\$ 896,543

(Continued)

CITY OF HOLLAND, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

	CAPITAL PROJECTS FACILITY AND LAND IMPROVEMENTS PROJECTS FUND	PERMANENT TRUST CEMETERY PERPETUAL CARE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:			
Special assessments	\$ -	\$ -	\$ 582,465
Property taxes	-	-	4,876,971
Intergovernmental	274,300	-	4,788,995
Charges for services	-	32,870	148,191
Fines and fees	-	-	198,015
Contributions from private sector	25,620	-	331,520
Interest and rents	59,369	42,878	347,817
Miscellaneous	63,500	-	117,042
Total revenues	422,789	75,748	11,391,016
EXPENDITURES:			
Current			
General government	-	-	2,145,466
Public safety	-	-	710,344
Public works	-	-	1,889,068
Welfare and social services	-	-	757,695
Culture and recreation	-	-	1,878,289
Capital outlay	4,056,254	-	4,211,833
Debt services			
Interest and fiscal charges	-	-	251,212
Principal retirement	-	-	799,475
Total expenditures	4,056,254	-	12,643,382
Excess (deficiency) of revenues over expenditures	(3,633,465)	75,748	(1,252,366)
OTHER FINANCING SOURCES (USES):			
Transfers in	1,553,386	7,757	3,496,070
Transfers out	(682,958)	(90,625)	(6,338,499)
Total other financing sources (uses)	870,428	(82,868)	(2,842,429)
NET CHANGE IN FUND BALANCES	(2,763,037)	(7,120)	(4,094,795)
FUND BALANCE - Beginning of year	4,516,825	1,827,723	15,385,391
FUND BALANCE - End of year	\$ 1,753,788	\$ 1,820,603	\$ 11,290,596

(Concluded)

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

MAJOR STREET FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	2,046,000	2,302,000	2,257,997	(44,003)
Charges for services	28,000	28,000	26,083	(1,917)
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	49,400	67,500	62,343	(5,157)
Miscellaneous	-	-	-	-
Total revenues	2,123,400	2,397,500	2,346,423	(51,077)
EXPENDITURES:				
Current				
Personal services	475,091	476,341	413,920	62,421
Other services and charges	646,650	628,468	585,333	43,135
Capital outlay	-	-	-	-
Contingency	108,000	-	-	-
Total expenditures	1,229,741	1,104,809	999,253	105,556
Excess of revenues over expenditures	893,659	1,292,691	1,347,170	54,479
OTHER FINANCING SOURCES (USES):				
Transfers in	659,867	659,868	659,868	-
Transfers out	(2,792,606)	(4,230,269)	(2,469,752)	1,760,517
Total other financing sources (uses)	(2,132,739)	(3,570,401)	(1,809,884)	1,760,517
NET CHANGE IN FUND BALANCES	(1,239,080)	(2,277,710)	(462,714)	1,814,996
FUND BALANCE - Beginning of year	3,311,859	3,311,859	3,311,859	-
FUND BALANCE - End of year	\$ 2,072,779	\$ 1,034,149	\$ 2,849,145	\$ 1,814,996

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

LOCAL STREET FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	607,500	593,900	573,809	(20,091)
Charges for services	42,000	42,000	39,843	(2,157)
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	1,370	1,600	2,161	561
Miscellaneous	-	-	-	-
Total revenues	650,870	637,500	615,813	(21,687)
EXPENDITURES:				
Current				
Personal services	525,150	511,342	431,328	80,014
Other services and charges	488,700	511,936	458,487	53,449
Capital outlay	-	-	-	-
Contingency	8,000	-	-	-
Total expenditures	1,021,850	1,023,278	889,815	133,463
Excess of revenues over expenditures	(370,980)	(385,778)	(274,002)	111,776
OTHER FINANCING SOURCES (USES):				
Transfers in	325,682	340,479	228,706	(111,773)
Transfers out	(24,743)	(24,742)	(24,742)	-
Total other financing sources (uses)	300,939	315,737	203,964	(111,773)
NET CHANGE IN FUND BALANCES	(70,041)	(70,041)	(70,038)	3
FUND BALANCE - Beginning of year	72,040	72,040	72,040	-
FUND BALANCE - End of year	\$ 1,999	\$ 1,999	\$ 2,002	\$ 3

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

ALLEGAN COUNTY ROAD TAX FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	415,000	415,000	405,327	(9,673)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	9,810	14,000	12,199	(1,801)
Miscellaneous	-	-	-	-
Total revenues	424,810	429,000	417,526	(11,474)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	424,810	429,000	417,526	(11,474)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(961,764)	(948,773)	(552,604)	396,169
Total other financing sources (uses)	(961,764)	(948,773)	(552,604)	396,169
NET CHANGE IN FUND BALANCES	(536,954)	(519,773)	(135,078)	384,695
FUND BALANCE - Beginning of year	880,131	880,131	880,131	-
FUND BALANCE - End of year	\$ 343,177	\$ 360,358	\$ 745,053	\$ 384,695

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

STREET IMPROVEMENTS RESERVE FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	1,117,365	1,113,546	1,110,593	(2,953)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	11,975	22,000	15,815	(6,185)
Miscellaneous	-	-	-	-
Total revenues	1,129,340	1,135,546	1,126,408	(9,138)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	1,129,340	1,135,546	1,126,408	(9,138)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(2,163,198)	(2,708,846)	(1,457,044)	1,251,802
Total other financing sources (uses)	(2,163,198)	(2,708,846)	(1,457,044)	1,251,802
NET CHANGE IN FUND BALANCES	(1,033,858)	(1,573,300)	(330,636)	1,242,664
FUND BALANCE - Beginning of year	810,196	810,196	810,196	-
FUND BALANCE (DEFICIT) - End of year	\$ (223,662)	\$ (763,104)	\$ 479,560	\$ 1,242,664

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

DOWNTOWN PARKING SYSTEM FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ 122,600	\$ 122,600	\$ 122,600	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	3,500	4,331	5,698	1,367
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	1,780	2,200	1,675	(525)
Miscellaneous	-	-	-	-
Total revenues	127,880	129,131	129,973	842
EXPENDITURES:				
Current				
Personal services	38,600	51,475	50,458	1,017
Other services and charges	78,220	90,755	80,793	9,962
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	1,872	1,049	1,049	-
Principal retirement	-	-	-	-
Contingency	10,000	-	-	-
Total expenditures	128,692	143,279	132,300	10,979
Excess of revenues over expenditures	(812)	(14,148)	(2,327)	11,821
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(14,057)	(12,632)	(12,632)	-
Total other financing sources (uses)	(14,057)	(12,632)	(12,632)	-
NET CHANGE IN FUND BALANCES	(14,869)	(26,780)	(14,959)	11,821
FUND BALANCE - Beginning of year	96,296	96,296	96,296	-
FUND BALANCE - End of year	\$ 81,427	\$ 69,516	\$ 81,337	\$ 11,821

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

DOWNTOWN SNOWMELT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ 71,000	\$ 69,284	\$ 69,218	\$ (66)
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	7,900	6,800	7,192	392
Miscellaneous	-	-	-	-
Total revenues	78,900	76,084	76,410	326
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	777,000	139,851	47,465	92,386
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	38,000	-	-	-
Principal retirement	40,000	-	-	-
Contingency	-	-	-	-
Total expenditures	855,000	139,851	47,465	92,386
Excess of revenues over expenditures	(776,100)	(63,767)	28,945	92,712
OTHER FINANCING SOURCES (USES):				
Transfers in	21,800	20,375	20,375	-
Transfers out	-	-	-	-
Bond proceeds	700,000	-	-	-
Total other financing sources (uses)	721,800	20,375	20,375	-
NET CHANGE IN FUND BALANCES	(54,300)	(43,392)	49,320	92,712
FUND BALANCE - Beginning of year	297,421	297,421	297,421	-
FUND BALANCE - End of year	\$ 243,121	\$ 254,029	\$ 346,741	\$ 92,712

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

PRINCIPAL SHOPPING DISTRICT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ 91,413	\$ 109,805	\$ 109,805	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	2,100	3,738	4,268	530
Fines and fees	-	-	-	-
Contributions from private sector	6,500	5,250	17,850	12,600
Investment earnings	1,480	1,800	1,273	(527)
Miscellaneous	-	-	-	-
Total revenues	101,493	120,593	133,196	12,603
EXPENDITURES:				
Current				
Personal services	-	48,287	47,387	900
Other services and charges	117,020	108,795	99,086	9,709
Capital outlay	2,500	3,685	3,685	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Principal retirement	-	-	-	-
Contingency	1,200	-	-	-
Total expenditures	120,720	160,767	150,158	10,609
Excess of revenues over expenditures	(19,227)	(40,174)	(16,962)	23,212
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(19,227)	(40,174)	(16,962)	23,212
FUND BALANCE - Beginning of year	91,318	91,318	91,318	-
FUND BALANCE - End of year	\$ 72,091	\$ 51,144	\$ 74,356	\$ 23,212

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

CONTESTED ASSESSMENTS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	25,318	50,319	25,001
Total revenues	-	25,318	50,319	25,001
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	87,000	147,514	130,102	17,412
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	87,000	147,514	130,102	17,412
Excess of revenues over expenditures	(87,000)	(122,196)	(79,783)	42,413
OTHER FINANCING SOURCES (USES):				
Transfers in	42,829	75,000	75,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	42,829	75,000	75,000	-
NET CHANGE IN FUND BALANCES	(44,171)	(47,196)	(4,783)	42,413
FUND BALANCE - Beginning of year	49,302	49,302	49,302	-
FUND BALANCE - End of year	\$ 5,131	\$ 2,106	\$ 44,519	\$ 42,413

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

CATV - PUBLIC ACCESS TV FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	192,200	192,000	196,688	4,688
Contributions from private sector	-	-	-	-
Investment earnings	485	550	795	245
Miscellaneous	-	-	-	-
Total revenues	192,685	192,550	197,483	4,933
EXPENDITURES:				
Current				
Personal services	4,310	1,110	615	495
Other services and charges	180,650	180,650	180,000	650
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	184,960	181,760	180,615	1,145
Excess of revenues over expenditures	7,725	10,790	16,868	6,078
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	7,725	10,790	16,868	6,078
FUND BALANCE - Beginning of year	79,789	79,789	79,789	-
FUND BALANCE - End of year	\$ 87,514	\$ 90,579	\$ 96,657	\$ 6,078

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

REVOLVING CASH ASSISTANCE FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ 32,754	\$ 88,493	\$ 90,685	\$ 2,192
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	6,955	10,871	9,296	(1,575)
Miscellaneous	-	-	-	-
Total revenues	39,709	99,364	99,981	617
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	30,428	30,428	-
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	30,428	30,428	-
Excess of revenues over expenditures	39,709	68,936	69,553	617
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(322,188)	(254,430)	(246,298)	8,132
Total other financing sources (uses)	(322,188)	(254,430)	(246,298)	8,132
NET CHANGE IN FUND BALANCES	(282,479)	(185,494)	(176,745)	8,749
FUND BALANCE - Beginning of year	291,989	291,989	291,989	-
FUND BALANCE - End of year	\$ 9,510	\$ 106,495	\$ 115,244	\$ 8,749

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

SPECIFIED DONATIONS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	33,788	33,789	1
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	33,788	33,789	1
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	10,317	25,655	10,583	15,072
Capital outlay	71,680	92,689	63,517	29,172
Contingency	-	-	-	-
Total expenditures	81,997	118,344	74,100	44,244
Excess of revenues over expenditures	(81,997)	(84,556)	(40,311)	44,245
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,559	2,559	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	2,559	2,559	-
NET CHANGE IN FUND BALANCES	(81,997)	(81,997)	(37,752)	44,245
FUND BALANCE - Beginning of year	81,998	81,998	81,998	-
FUND BALANCE - End of year	\$ 1	\$ 1	\$ 44,246	\$ 44,245

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

DANGEROUS STRUCTURES FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	23,000	29,300	29,242	(58)
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	100	125	-	(125)
Miscellaneous	-	-	-	-
Total revenues	23,100	29,425	29,242	(183)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	23,100	31,205	30,773	432
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	23,100	31,205	30,773	432
Excess of revenues over expenditures	-	(1,780)	(1,531)	249
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(1,780)	(1,531)	249
FUND BALANCE - Beginning of year	5,618	5,618	5,618	-
FUND BALANCE - End of year	\$ 5,618	\$ 3,838	\$ 4,087	\$ 249

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

EMPLOYEES BENEFIT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	7,600	8,065	8,230	165
Fines and fees	-	1,350	1,327	(23)
Contributions from private sector	-	-	-	-
Investment earnings	200	149	136	(13)
Miscellaneous	-	-	-	-
Total revenues	7,800	9,564	9,693	129
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	6,650	9,856	8,854	1,002
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	6,650	9,856	8,854	1,002
Excess of revenues over expenditures	1,150	(292)	839	1,131
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	1,150	(292)	839	1,131
FUND BALANCE - Beginning of year	5,985	5,985	5,985	-
FUND BALANCE - End of year	\$ 7,135	\$ 5,693	\$ 6,824	\$ 1,131

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

PROPERTY ACQUISITION FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	55,868	55,626	55,478	(148)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	50,000	499	(49,501)
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	3,450	3,300	3,259	(41)
Miscellaneous	-	-	-	-
Total revenues	59,318	108,926	59,236	(49,690)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	6,500	11,406	12,257	(851)
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	6,500	11,406	12,257	(851)
Excess of revenues over expenditures	52,818	97,520	46,979	(50,541)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(18,125)	(18,125)	(18,125)	-
Total other financing sources (uses)	(18,125)	(18,125)	(18,125)	-
NET CHANGE IN FUND BALANCES	34,693	79,395	28,854	(50,541)
FUND BALANCE - Beginning of year	97,477	97,477	97,477	-
FUND BALANCE - End of year	\$ 132,170	\$ 176,872	\$ 126,331	\$ (50,541)

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	2,372	1,458	(914)
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	2,372	1,458	(914)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	9,300	13,272	10,159	3,113
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	9,300	13,272	10,159	3,113
Excess of revenues over expenditures	(9,300)	(10,900)	(8,701)	2,199
OTHER FINANCING SOURCES (USES):				
Transfers in	4,500	6,100	6,821	721
Transfers out	-	-	-	-
Total other financing sources (uses)	4,500	6,100	6,821	721
NET CHANGE IN FUND BALANCES	(4,800)	(4,800)	(1,880)	2,920
FUND BALANCE - Beginning of year	4,800	4,800	4,800	-
FUND BALANCE - End of year	\$ -	\$ -	\$ 2,920	\$ 2,920

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

AIRPORT DONATIONS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	13,300	80,033	80,033	-
Investment earnings	(20)	100	566	466
Miscellaneous	-	-	-	-
Total revenues	13,280	80,133	80,599	466
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	13,280	80,133	80,599	466
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(99,176)	(80,033)	(80,033)	-
Total other financing sources (uses)	(99,176)	(80,033)	(80,033)	-
NET CHANGE IN FUND BALANCES	(85,896)	100	566	466
FUND BALANCE - Beginning of year	5,350	5,350	5,350	-
FUND BALANCE - End of year	\$ (80,546)	\$ 5,450	\$ 5,916	\$ 466

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

MEDC UNIFORM COLOR GRANT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	561,575	561,575	357,611	(203,964)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	561,575	561,575	357,611	(203,964)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	561,575	561,575	357,611	203,964
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	561,575	561,575	357,611	203,964
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,132	-	(8,132)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	8,132	-	(8,132)
NET CHANGE IN FUND BALANCES	-	8,132	-	(8,132)
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ 8,132	\$ -	\$ (8,132)

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

POLICE CRIMINAL JUSTICE TRAINING FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	13,000	13,000	13,566	566
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	13,000	13,000	13,566	566
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	13,000	13,150	13,139	11
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	13,000	13,150	13,139	11
Excess of revenues over expenditures	-	(150)	427	577
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(150)	427	577
FUND BALANCE - Beginning of year	1,148	1,148	1,148	-
FUND BALANCE - End of year	\$ 1,148	\$ 998	\$ 1,575	\$ 577

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

POLICE COMMUNITY RELATIONS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	8,200	5,300	1,477	(3,823)
Investment earnings	700	800	730	(70)
Miscellaneous	-	-	-	-
Total revenues	8,900	6,100	2,207	(3,893)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	17,100	18,847	18,410	437
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	17,100	18,847	18,410	437
Excess of revenues over expenditures	(8,200)	(12,747)	(16,203)	(3,456)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(8,200)	(12,747)	(16,203)	(3,456)
FUND BALANCE - Beginning of year	37,832	37,832	37,832	-
FUND BALANCE - End of year	\$ 29,632	\$ 25,085	\$ 21,629	\$ (3,456)

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

ANTI-DRUG ABUSE WEMET GRANTS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	36,751	146,216	99,579	(46,637)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	36,751	146,216	99,579	(46,637)
EXPENDITURES:				
Current				
Personal services	73,502	291,558	198,284	93,274
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	73,502	291,558	198,284	93,274
Excess of revenues over expenditures	(36,751)	(145,342)	(98,705)	46,637
OTHER FINANCING SOURCES (USES):				
Transfers in	36,751	145,342	98,705	(46,637)
Transfers out	-	-	-	-
Total other financing sources (uses)	36,751	145,342	98,705	(46,637)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

OFFICE OF HIGHWAY SAFETY PLANNING (OHSP) GRANT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	25,133	140,166	85,438	(54,728)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	25,133	140,166	85,438	(54,728)
EXPENDITURES:				
Current				
Personal services	25,133	93,187	51,310	41,877
Other services and charges	-	-	-	-
Capital outlay	-	46,979	34,128	12,851
Contingency	-	-	-	-
Total expenditures	25,133	140,166	85,438	54,728
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

LAW ENFORCEMENT BLOCK GRANTS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	35,317	48,024	46,221	(1,803)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	345	377	32
Miscellaneous	-	-	-	-
Total revenues	35,317	48,369	46,598	(1,771)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	39,876	56,483	54,249	2,234
Contingency	-	-	-	-
Total expenditures	39,876	56,483	54,249	2,234
Excess of revenues over expenditures	(4,559)	(8,114)	(7,651)	463
OTHER FINANCING SOURCES (USES):				
Transfers in	3,924	7,479	7,196	(283)
Transfers out	-	-	-	-
Total other financing sources (uses)	3,924	7,479	7,196	(283)
NET CHANGE IN FUND BALANCES	(635)	(635)	(455)	180
FUND BALANCE - Beginning of year	635	635	635	-
FUND BALANCE - End of year	\$ -	\$ -	\$ 180	\$ 180

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

FEMA FIREFIGHTERS GRANT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	45,741	45,741	30,998	(14,743)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	5,518	3,223	(2,295)
Total revenues	45,741	51,259	34,221	(17,038)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	50,823	56,341	37,665	18,676
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	50,823	56,341	37,665	18,676
Excess of revenues over expenditures	(5,082)	(5,082)	(3,444)	1,638
OTHER FINANCING SOURCES (USES):				
Transfers in	5,082	5,082	3,444	(1,638)
Transfers out	-	-	-	-
Total other financing sources (uses)	5,082	5,082	3,444	(1,638)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

HOMELAND SECURITY GRANT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	79,105	33,925	(45,180)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	79,105	33,925	(45,180)
EXPENDITURES:				
Current				
Personal services	-	33,925	33,925	-
Other services and charges	-	-	-	-
Capital outlay	-	45,180	-	45,180
Contingency	-	-	-	-
Total expenditures	-	79,105	33,925	45,180
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

DISTRICT LIBRARY TAXATION FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	1,498,650	1,495,005	1,504,316	9,311
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,498,650	1,495,005	1,504,316	9,311
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	1,498,650	1,496,940	1,502,908	(5,968)
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Contingency	-	-	-	-
Total expenditures	1,498,650	1,496,940	1,502,908	(5,968)
Excess of revenues over expenditures	-	(1,935)	1,408	3,343
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(1,935)	1,408	3,343
FUND BALANCE - Beginning of year	2,389	2,389	2,389	-
FUND BALANCE - End of year	\$ 2,389	\$ 454	\$ 3,797	\$ 3,343

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

BICENTENNIAL CELEBRATION FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	200	150	154	4
Miscellaneous	-	-	-	-
Total revenues	200	150	154	4
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	200	150	154	4
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	200	150	154	4
FUND BALANCE - Beginning of year	6,736	6,736	6,736	-
FUND BALANCE - End of year	\$ 6,936	\$ 6,886	\$ 6,890	\$ 4

CITY OF HOLLAND, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

MSHDA GRANTS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	627,217	627,217	229,138	(398,079)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	627,217	627,217	229,138	(398,079)
EXPENDITURES:				
Current				
Personal services	129,605	129,605	58,707	70,898
Other services and charges	497,612	497,612	170,431	327,181
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Contingency	-	-	-	-
Total expenditures	627,217	627,217	229,138	398,079
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

CDBG GRANTS FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	655,759	637,049	361,844	(275,205)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	167,752	211,292	166,713	(44,579)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	823,511	848,341	528,557	(319,784)
EXPENDITURES:				
Current				
Personal services	109,489	115,977	102,667	13,310
Other services and charges	714,023	724,524	425,890	298,634
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Contingency	-	-	-	-
Total expenditures	823,512	840,501	528,557	311,944
Excess of revenues over expenditures	(1)	7,840	-	(7,840)
OTHER FINANCING SOURCES (USES):				
Transfers in	19,077	11,236	19,076	7,840
Transfers out	(19,076)	(19,076)	(19,076)	-
Total other financing sources (uses)	1	(7,840)	-	7,840
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

IMLS LEARNING OPPORTUNITY NATURE GRANT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	13,189	35,991	19,242	(16,749)
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	5,911	-	-	-
Total revenues	19,100	35,991	19,242	(16,749)
EXPENDITURES:				
Current				
Personal services	10,478	54,100	36,447	17,653
Other services and charges	8,622	6,804	7,707	(903)
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Contingency	-	-	-	-
Total expenditures	19,100	60,904	44,154	16,750
Excess of revenues over expenditures	-	(24,913)	(24,912)	1
OTHER FINANCING SOURCES (USES):				
Transfers in	-	24,913	24,912	(1)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	24,913	24,912	(1)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

NEIGHBORHOOD IMPACT PROGRAM (NIP) GRANT FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	6,261	6,038	(223)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	6,261	6,038	(223)
EXPENDITURES:				
Current				
Personal services	-	6,261	6,038	223
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Debt Services				
Interest and fiscal charges	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	6,261	6,038	223
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

BUDGET STABILIZATION FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	111,000	116,439	(5,439)
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	111,000	116,439	(5,439)
Excess of revenues over expenditures	-	(111,000)	(116,439)	(5,439)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(111,000)	(116,439)	(5,439)
FUND BALANCE - Beginning of year	1,872,659	1,872,659	1,872,659	-
FUND BALANCE - End of year	\$ 1,872,659	\$ 1,761,659	\$ 1,756,220	\$ -

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

CEMETERY PERPETUAL CARE FUND

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	50,000	46,945	32,870	(14,075)
Fines and fees	-	-	-	-
Contributions from private sector	-	-	-	-
Investment earnings	39,871	48,449	42,878	(5,571)
Miscellaneous	-	-	-	-
Total revenues	89,871	95,394	75,748	(19,646)
EXPENDITURES:				
Current				
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	89,871	95,394	75,748	(19,646)
OTHER FINANCING SOURCES (USES):				
Transfers in	7,757	7,757	7,757	-
Transfers out	(289,426)	(300,168)	(90,625)	209,543
Total other financing sources (uses)	(281,669)	(292,411)	(82,868)	209,543
NET CHANGE IN FUND BALANCES	(191,798)	(197,017)	(7,120)	189,897
FUND BALANCE - Beginning of year	1,827,723	1,827,723	1,827,723	-
FUND BALANCE - End of year	\$ 1,827,723	\$ 1,827,723	\$ 1,820,603	\$ -

- - - **FUND TYPE: ENTERPRISE FUNDS** - - -

Enterprise Funds are proprietary funds that account for operations (a) financed and operated in a manner similar to private-sector business entities - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

ELECTRIC UTILITY FUND

Mandated by chapter 12 of the City Charter, the Electric Utility Fund provides financial accountability for a municipally-owned electric generating facility and distribution system that supplies electrical power to residential, commercial, industrial, and other users. The City has entered into agreements with several of the surrounding governmental jurisdictions to supply electrical power to various residential, commercial, and industrial areas outside of the City.

By way of a Joint Venture with the Michigan Public Power Agency, contractual arrangements have been adopted with other electric generating companies and authorities for the purchase of additional electricity to meet anticipated local requirements into future years, and also to sell excess electrical capacity generated locally.

Outstanding long-term debt is reflected in this fund in the form of electric system revenue bonds payable. This fund provides financial accountability for revenues, expenses, and balance sheet items.

This utility is managed and operated by a Board of Public Works appointed by and responsible to the City Council.

WASTEWATER UTILITY FUND

The Wastewater Utility Fund provides financial accountability for a municipally-owned sewage treatment facility and collection system that services residential, commercial, industrial, and other users within the City of Holland.

In 1979, a joint agreement was established between the City of Holland and surrounding townships to expand the sewage treatment plant, and provide sewage collection services to an expanded area. In 1994 and 1995 these same governing units took action to construct another large expansion of the treatment plant capacity to service the ever-increasing volumes of sewage treatment requirements.

Because the City of Holland retains significant control within the governing body of the system, together with responsibility for system operations, the Wastewater Utility Fund is accounted and reported as an entity of the City.

Outstanding long-term debt is reflected in the form of assessment payable to County of Ottawa for 70% commitment of debt service for a county sewage bonds. This fund provides financial accountability for revenues, expenses, and balance sheet items.

This utility is managed and operated by a Board of Public Works appointed by the City Council.

WATER UTILITY FUND

Mandated by chapter 12 of the Holland City Charter, the Water Utility Fund provides financial accountability for a municipally-owned water treatment facility and distribution system that supplies water – drawn from Lake Michigan and treated for cleanliness – to residential, commercial, industrial, and other users within the City of Holland.

The City of Holland has entered into joint agreements with several of the surrounding governmental jurisdictions for the sale and distribution of water to various areas outside of the City.

In response to projected significant increases in demand for water usage by both residential and commercial/industrial customers, additional long-term debt (Water Utility Revenue Bonds) was issued during fiscal year 2005 to finance the expansion of water treatment capacity, together with installation of additional primary watermain lines.

This utility is managed and operated by a Board of Public Works appointed by the City Council.

- - - FUND TYPE: ENTERPRISE FUNDS - - -
(continued)

REFUSE AND RECYCLING PICKUP FUND

Since 1992, the City of Holland has administered a mandatory refuse and recycling pickup program for all single family residences, as well as multi-family residential units. Each residence is provided the choice of using either refuse bags or municipally-owned refuse containers, plus a recycling container.

At June 30, 2005, the residential customer count for this service is:

- Single-family residences and multi-family housing developments of up to 4-family units = 8,826
- Multi-family housing developments of greater than 4-family units = 3

The entire pickup and hauling operation is contracted to one private sector hauler, with options for contract extension if stipulated by both parties. Administration, billing and collection functions are performed by the City; with payment made to the hauling firm at the conclusion of each month.

Additionally, this fund accounts for the financing and costs of an annual one-day program referred to as *Project Pride*. This program provides residents opportunity to dispose of unwanted scrap household items (such as old appliances, furniture, etc) as well as hazardous household waste items (such as old paint, turpentine, or various chemical items).

This fund provides financial accountability of revenues, expenses, capital outlays, and balance sheet items.

WINDMILL ISLAND FUND

Since 1964, the City of Holland owns and operates a public attraction referred to as Windmill Island that exhibits an imported authentic operating windmill from The Netherlands, along with various authentic Dutch buildings and facilities. This attraction remains open approximately six months from May thru October, providing visitors with an authentic recreation of picturesque structures, architectures and landscaping similar to that found in The Netherlands approximately 100 to 200 years earlier.

Presently there is no long-term debt outstanding for Windmill Island. Two earlier revenue bond issues (originally issued in 1964 and 1988) had financed major acquisitions, developments and enhancements for Windmill Island. Management continually studies ideas and concepts regarding the most feasible and prudent uses for Windmill Island. During fiscal year 2005, a new 40' x 80' open space facility – referred to as the 'Pavilion' – was acquired and constructed, primarily financed from fund reserves. This facility is proving to be a popular attraction for private-party events (such as weddings and company picnics). Projected rental income from event usage indicate a relatively quick payback of costs.

The revenue base for Windmill Island consists of admission fees, concession fees, and other miscellaneous revenues; together with an annual General Fund transfer to subsidize operating deficits.

This fund provides financial accountability of revenues, expenses, capital outlays, and balance sheet items.

DEPOT OPERATIONS FUND

The City of Holland owns and operates a renovated railroad depot located on the main street of the downtown area. Referred to as the Holland Transportation Center, this facility provides:

- a passenger loading/unloading stop for Amtrack Railroad – Greyhound Bus – MAX local-area bus system
- administrative offices - for the local *Tourist Bureau / Tulip Time Festival*.

Financing is received primarily from office and building space rentals, together with transfers from other City funds. Outlay items include general operating, maintenance, and security. No long-term debt exists in this fund.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

- - - FUND TYPE: ENTERPRISE FUNDS - - -
(continued)

MUNICIPAL AIRPORT FUND

Since 1986, the City of Holland has owned and operated the Tulip City Airport. The initial purchase and major enhancements to the airport have been financed primarily by grants from the Federal Aviation Administration and the Michigan Bureau of Aeronautics, along with several contributions from the private sector. Per requirements of a City Charter amendment, no local tax dollars may be used for airport purposes without specific voter approval.

This fund provides financial accountability for certain operational and maintenance expenses of the airport facility. Revenues are generated as a result of contractual agreements for uses and privileges at the airport. An annual franchise fee is paid to this fund by a Fixed Base Operator (FBO), a private sector company that is given authorization by the City to manage and operate the airport. In exchange for the franchise fee, the FBO is authorized to retain profits from various airport operations, such as aircraft maintenance, flight training, charter flights, aircraft storage, gasoline sales, etc. Other revenue sources include *T-Hanger* leases, private hanger land-leases, and agricultural land-leases.

The Michigan Bureau of Aeronautics administers and provides financial oversight/accounting of major capital acquisitions and improvements to the airport. However, this fund reflects the total capital assets and contributed equity for acquisitions and major improvements.

Two long-term *Installment Purchase Obligation* debt instruments (originally issued in 1989 and 1995) provided financing for construction of three T-Hanger buildings for smaller-sized aircraft. At June 30, 2005, there remains an outstanding liability balance on the 1995 obligation; whereas the final maturity on the 1989 obligation occurred in fiscal year 2005. Debt service is financed by monthly rental income received from users of the T-Hanger facilities.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

MACATAWA AREA PUBLIC TRANSIT SYSTEM FUND

The City of Holland, together with the neighboring municipalities of Holland Charter Township and City of Zeeland, have entered into a joint agreement to provide public busing transportation services. This system is officially titled the Macatawa Area Express System ("MAX" = short-name).

The MAX serves the citizens of these communities with both a fixed-route bus system, as well as a demand-response personalized system. The system is meant to benefit all local area citizens, but especially seniors, handicapped, and low-income people for whom local mobility would otherwise be impeded or near impossible. Various passenger fare ticket programs are made available that provide both a cost-savings and more efficiency for using the system, especially for routine and frequent users.

Daily administration and operations is contracted to a private-sector firm to perform this function, to include routine management, dispatching, and hiring & supervision of drivers.

The program is heavily subsidized by federal & state assistance grants, together with local property taxation. Passenger fares generate a small portion of total revenues. No long-term debt presently exists for this fund.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2005

<u>ASSETS</u>	<u>REFUSE AND RECYCLING PICKUP</u>	<u>WINDMILL ISLAND</u>	<u>DEPOT OPERATIONS</u>
CURRENT ASSETS:			
Cash and pooled investments	\$ 68,553	\$ 59,499	\$ 8,844
Accounts receivable	143,652	16,080	-
Taxes and special assessments receivable	-	-	-
Prepaid items	-	1,121	-
Due from other governmental units	-	-	-
Total current assets	212,205	76,700	8,844
NONCURRENT ASSETS:			
Restricted assets			
Cash and pooled investments	326,128	7,340	-
Total restricted assets	326,128	7,340	-
CAPITAL ASSETS:			
Land	-	99,809	291,300
Construction in Process	-	-	-
Machinery and equipment	409,597	1,960,470	2,213,994
Accumulated depreciation	(190,762)	(1,072,531)	(843,316)
Total capital assets	218,835	987,748	1,661,978
Total noncurrent assets	544,963	995,088	1,661,978
Total assets	757,168	1,071,788	1,670,822
<u>LIABILITIES</u>			
CURRENT LIABILITIES:			
Accounts payable	102,285	56,245	1,501
Accrued payroll and benefits	475	6,431	70
Earned employee compensated absences	-	10,301	-
Due to other governmental units	-	-	-
Due to other funds	14	1,374	2,210
Deferred revenue	-	2,350	5,063
Bonds and lease purchases payable - Current	-	-	-
Total current liabilities	102,774	76,701	8,844
NONCURRENT LIABILITIES:			
Bonds payable and lease purchases payable	-	-	-
Total liabilities	102,774	76,701	8,844
NET ASSETS:			
Invested in capital assets, net of related debt	218,835	987,748	1,661,978
Restricted for capital projects and by agreement	326,128	7,339	-
Unrestricted	109,431	-	-
Total net assets	\$ 654,394	\$ 995,087	\$ 1,661,978

Exhibit C-1

MUNICIPAL AIRPORT	MACATAWA AREA PUBLIC TRANSIT SYSTEM	TOTAL
\$ 291,983	\$ 532,103	\$ 960,982
4,600	61,138	225,470
-	284	284
-	-	1,121
-	877,314	877,314
296,583	1,470,839	2,065,171
-	300,000	633,468
-	300,000	633,468
4,798,502	-	5,189,611
3,412,617	52,904	3,465,521
7,716,841	3,199,315	15,500,217
(5,065,460)	(1,324,977)	(8,497,046)
10,862,500	1,927,242	15,658,303
10,862,500	2,227,242	16,291,771
11,159,083	3,698,081	18,356,942
1,796	366,745	528,572
-	1,704	8,680
-	1,864	12,165
19,209	-	19,209
-	279,036	282,634
-	4,625	12,038
12,000	-	12,000
33,005	653,974	875,298
58,000	-	58,000
91,005	653,974	933,298
10,792,500	1,927,242	15,588,303
-	300,000	633,467
275,578	816,865	1,201,874
\$ 11,068,078	\$ 3,044,107	\$ 17,423,644

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2005

	REFUSE AND RECYCLING PICKUP	WINDMILL ISLAND	DEPOT OPERATIONS
OPERATING REVENUES			
Admissions and fares	\$ -	\$ -	\$ -
Use fees and charges for services	1,210,195	358,149	-
Rentals	-	20,361	35,608
Total operating revenues	1,210,195	378,510	35,608
OPERATING EXPENSES:			
Personal services	123,907	331,537	10,811
Other current expenses	1,033,902	200,972	52,744
Depreciation	51,682	54,735	81,261
Total operating expenses	1,209,491	587,244	144,816
OPERATING INCOME (LOSS)	704	(208,734)	(109,208)
NONOPERATING REVENUES (EXPENSES):			
Property taxes	-	-	-
Federal and/or state grants	-	-	-
Miscellaneous private donations	1,456	9,632	-
Investment earnings	9,030	1,706	-
Interest expense	-	-	-
Gain (loss) on disposal of capital assets	(1,287)	-	-
Total nonoperating revenues (expenses)	9,199	11,338	-
INCOME (LOSS) - Before transfers	9,903	(197,396)	(109,208)
Transfers in	-	179,531	27,947
Transfers out	-	-	-
CHANGES IN NET ASSETS	9,903	(17,865)	(81,261)
NET ASSETS - Beginning of year	644,491	1,012,952	1,743,239
NET ASSETS - End of year	\$ 654,394	\$ 995,087	\$ 1,661,978

Exhibit C-2

MUNICIPAL AIRPORT	MACATAWA AREA PUBLIC TRANSIT SYSTEM	TOTAL
\$ -	\$ 174,778	\$ 174,778
30,147	209,862	1,808,353
119,871	-	175,840
150,018	384,640	2,158,971
-	97,971	564,226
79,612	2,238,496	3,605,726
410,823	302,377	900,878
490,435	2,638,844	5,070,830
(340,417)	(2,254,204)	(2,911,859)
-	111,020	111,020
999,156	2,078,043	3,077,199
-	-	11,088
4,733	26,052	41,521
(8,544)	-	(8,544)
-	(5,916)	(7,203)
995,345	2,209,199	3,225,081
654,928	(45,005)	313,222
80,033	-	287,511
-	(3,700)	(3,700)
734,961	(48,705)	597,033
10,333,117	3,092,812	16,826,611
\$ 11,068,078	\$ 3,044,107	\$ 17,423,644

CITY OF HOLLAND, MICHIGAN

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2005

	REFUSE AND RECYCLING PICKUP	WINDMILL ISLAND	DEPOT OPERATIONS	MUNICIPAL AIRPORT
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,182,321	\$ 373,406	\$ 35,731	\$ 149,638
Payments to suppliers	(1,037,584)	(169,793)	(53,758)	(81,047)
Payments to employees	(125,334)	(346,111)	(11,061)	-
Net cash provided by (used in) operating activities	19,403	(142,498)	(29,088)	68,591
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Debt service	-	-	-	(46,821)
Proceeds from sales of capital assets	-	-	-	-
Purchase of capital assets	(55,976)	(246,072)	-	(1,036,878)
Net cash provided by (used in) capital and related financing activities	(55,976)	(246,072)	-	(1,083,699)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	-	-	-
Federal and/or state grants	-	-	-	1,035,775
Miscellaneous private donations	1,456	9,632	-	-
Intergovernmental payments	(78,820)	-	-	-
Intergovernmental receipts	-	179,634	28,385	79,950
Net cash provided by (used in) noncapital financing activities	(77,364)	189,266	28,385	1,115,725
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	9,030	1,706	-	4,733
Net cash provided by (used in) investing activities	9,030	1,706	-	4,733
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	(104,907)	(197,598)	(703)	105,350
CASH AND POOLED INVESTMENTS - Beginning of year	499,588	264,437	9,547	186,633
CASH AND POOLED INVESTMENTS - End of year	\$ 394,681	\$ 66,839	\$ 8,844	\$ 291,983
STATEMENT OF NET ASSETS CLASSIFICATIONS OF CASH AND POOLED INVESTMENTS:				
Current assets	\$ 68,553	\$ 59,499	\$ 8,844	\$ 291,983
Restricted assets	326,128	7,340	-	-
TOTAL STATEMENT OF NET ASSETS CLASSIFICATION	\$ 394,681	\$ 66,839	\$ 8,844	\$ 291,983

Exhibit C-3

MACATAWA AREA PUBLIC TRANSIT SYSTEM		TOTAL
\$	350,988	\$ 2,092,084
	(2,171,659)	(3,513,841)
	(105,088)	(587,594)
	(1,925,759)	(2,009,351)
	-	(46,821)
	2,364	2,364
	(508,860)	(1,847,786)
	(506,496)	(1,892,243)
	111,101	111,101
	2,006,373	3,042,148
	-	11,088
	-	(78,820)
	179,181	467,150
	2,296,655	3,552,667
	26,052	41,521
	26,052	41,521
	(109,548)	(307,406)
	941,651	1,901,856
\$	832,103	\$ 1,594,450
\$	532,103	\$ 960,982
	300,000	633,468
\$	832,103	\$ 1,594,450

(Continued)

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2005

	<u>REFUSE AND RECYCLING PICKUP</u>	<u>WINDMILL ISLAND</u>	<u>DEPOT OPERATIONS</u>	<u>MUNICIPAL AIRPORT</u>
Reconciliation of operating income to net cash provided (used)				
by operating activities:				
Operating income (loss)	\$ 704	\$ (208,734)	\$ (109,208)	\$ (340,417)
Adjustment to reconcile operating income (loss)				
to net cash provided by (used in) operating activities:				
Depreciation	51,682	54,735	81,261	410,823
Changes in operating assets and liabilities:				
Accounts receivable	(27,874)	(7,454)	-	(380)
Prepaid items	-	(1,121)	-	-
Accounts payable	(3,682)	32,300	(1,014)	(1,435)
Accrued payroll and benefits	(1,427)	(14,574)	(250)	-
Deferred revenue	-	2,350	123	-
Net cash provided by (used in) operating activities	\$ 19,403	\$ (142,498)	\$ (29,088)	\$ 68,591

MACATAWA AREA PUBLIC TRANSIT SYSTEM		TOTAL
\$	(2,254,204)	\$ (2,911,859)
	302,377	900,878
	(33,652)	(69,360)
	-	(1,121)
	66,837	93,006
	(7,117)	(23,368)
	-	2,473
\$	(1,925,759)	\$ (2,009,351)

(Concluded)

- - - FUND TYPE: INTERNAL SERVICE FUNDS - - -

Internal Service Funds are used to account for the financing of services provided by one department or activity to other departments or activities of the City, and/or to other governmental units on a cost-reimbursement basis. These types of funds are established, managed, and operated as a proprietary type operation, providing financial accountability for revenues, expenses, and balance sheet items.

COMPUTER SERVICES FUND

The Technology Services Dept provides computer-processing capabilities to several departments and programs; and to a small extent, to other local area governmental units.

Basic functions of the Technology Services Dept include

- administration, maintenance, and development of entire computer system
- centralized server-driven systems for local area networking and for specific software applications
- end-user client equipment such as PC's and remote printers
- internet access
- website development, modifications, and routine updating of information
- g.i.s. and mapping capabilities
- assistance in evaluating and purchasing commercial software systems
- software training sessions and assistance.

Established user fee charges to departments include the following elements:

- accumulated amount of disk-access space used
- in-house staff time that is responsible to:
 - maintain a multiple server system and network system
 - maintain sufficient storage capability on the City's network system to accommodate all City users
 - maintain and service PC's located at individual workstations throughout the City departments
 - maintain functionality of various proprietary software programs loaded on computer center servers
 - develop & maintain an Internet capability, to include the City's website.
 - develop & maintain a G.I.S. system
- annual surcharges (assessed to all user departments) for the purpose of maintaining reserves for future new and/or replacement acquisitions.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

PHOTOCOPY SERVICES FUND

Departments and offices of the City have access to various console and desktop photocopying equipment that serves most departmental photocopying requirements.

Established user fee charges to departments include the following elements:

- recovery of costs for supplies, such as photocopier paper, machine toner, etc.
- recovery of overhead costs for maintenance to equipment
- surcharge to accumulate reserves for future equipment replacements.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

- - - FUND TYPE: INTERNAL SERVICES FUNDS - - -
(continued)

POSTAGE SERVICES FUND

An automated postage meter machine provides centralized support services to all City Hall departments for U.S. Postal Service mailing purposes. Applicable postage rates are affixed to individual pieces of mail by the metered machine.

Established user fee charges to departments include the following elements:

- recovery of actual postage use, as recorded by the equipment with each use
- recovery of overhead costs for meter-box rental, operating supplies, and equipment maintenance

This fund provides financial accountability for revenues, expenses, and balance sheet items.

COMMUNICATION SERVICES FUND

A networked telephone system provides internally connected voice communication services for most departments and activities of the City, as well as communications outside the network. Driven by in-house phone servers, the system provides multiple capabilities for communicating both inside and outside the network. The City has entered into a contractual arrangement with *Choice One Communications* as the communication link and processor for all incoming and outgoing phone calls and fax messages outside of the network, to include both local-area and long-distance outgoing calls.

Also captured are operating costs across all departments for usage of cellular phones, pager units, fax machines, as well as modems for computers and credit card validation machines.

Established user fee charges to departments include the following elements:

- recovery of costs billed to City of Holland by Choice One Communications
- surcharge to accumulate a sufficient reserve for system maintenance.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

FUEL DISPENSING

By formal agreement, the *City of Holland* and *Holland Public School District* share the operating, maintenance, and capital costs for underground storage tanks and automated fuel dispensing systems. The fuel storage and dispensing facility is located at the site of the *Holland Public Schools – Transportation Center*.

Fuel is purchased in bulk quantities, and stored in large underground tanks. Users (departments) are billed monthly for gasoline and diesel fuel, as recorded and summarized by computer-generated records of gallons dispensed.

Established user fee charges to departments include the following elements:

- recovery of actual fuel dispensed, using a first-in first-out method of inventory accounting
- recovery of administrative overhead costs to operate the system
- surcharge to accumulate reserve for future replacement of equipment and underground tanks

The contractual arrangement between the City and School District for shared facility and operation is determined not to be a joint-venture operation, as defined in *Governmental Accounting Standards Board (GASB) – Statement No. 14*.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

- - - FUND TYPE: INTERNAL SERVICE FUNDS - - -
(continued)

CENTRALIZED VEHICLE/EQUIPMENT FUND

The following activities comprise the operations and assets of this fund:

☐ **GENERAL VEHICLE & EQUIPMENT POOL**

- All vehicles & equipment assigned to this pool are fixed assets (minus depreciation) of this fund.
- Several departments are provided with specifically assigned vehicles and/or equipment. Detailed accounting is maintained for each such vehicle or equipment item. Also included in this pool are a certain number of unassigned vehicles made available for sign-out by any department with a mileage fee assessed. An annual flat-fee 'rental and use charge' is assessed to respective departments for each individual vehicle or equipment item.
 - Vehicles and equipment assigned to this pool (other than signout cars) are assessed an annual flat-fee for:
 - > recovery of fuel costs
 - > recovery of overhead costs for vehicle/equipment maintenance and upkeep
 - > surcharge to accumulate reserve for future replacements of vehicles/equipment.

☐ **STREETS VEHICLE & EQUIPMENT POOL**

- All vehicles & equipment assigned to this pool are fixed assets (minus depreciation) of this fund.
- State of Michigan Act 51 of 1951 (as amended) requires identifiable accounting for vehicles & equipment dedicated to street maintenance & construction. Detailed accounting is maintained for each such vehicle or equipment item. Michigan Dept of Transportation (MDOT) annually provides a mandatory schedule of hourly 'rental and use' rates applicable to each individual type of vehicle or equipment for actual time of use.
 - Vehicles and equipment assigned to this pool are assessed an established hourly rate for:
 - > recovery of fuel costs
 - > recovery of overhead costs for vehicle/equipment maintenance and upkeep
 - > surcharge to accumulate reserve for future replacements of vehicles/equipment.

☐ **CENTRAL MAINTENANCE ACTIVITY**

- A centralized vehicle & equipment maintenance activity is operated at the City's Transportation Services facility. Various support staff (including several vehicle & equipment mechanics) are permanently assigned to this function.
 - The mechanics staff performs virtually all maintenance service work for the two Vehicle & Equipment Pools described above; and their services are compensated from the fee structures as described above for each of the two pools.
 - In addition, the mechanics perform maintenance services for vehicles & equipment that are not assigned to either of the two pools (such as the MAX Bus Transportation Services System and the City's Fire Emergency Vehicles). Annually an internally-determined hourly rate is established using a 'Cost Allocation Plan' that is acceptable to state & federal agencies providing grant subsidies to the MAX Transportation System). This rate is charged to the appropriate agency for mechanics time to provide repair and maintenance services on vehicles & equipment outside of the two pools described above.

This fund provides financial accountability for revenues, expenses, and balance sheet items.

FIRE VEHICLES & EQUIPMENT POOL FUND

The Fire Vehicle and Equipment Pool provides a centralized vehicle and equipment support service for the Holland Fire Department. This fund provides financial accountability for cash reserves, for purchase of additional or replacement emergency vehicles, and for major renovations to emergency vehicles.

Primary financing for this fund is an annual operating transfer from the General Fund derived from a schedule – updated annually – projecting both short-term and long-term cash requirements. Other revenue sources may include Sale of Existing Capital Assets and Investment Income.

- - - FUND TYPE: INTERNAL SERVICE FUNDS - - -
(continued)

WORKERS COMPENSATION FUND

The City of Holland provides workers compensation insurance coverage through a first-dollar coverage (no self-insured retention) commercial plan with *Accident Fund of Michigan*. Claims are administered by this carrier. The policy provides specific and aggregate coverage limits up to the maximum level requirements, per state statutes.

Revenues to this fund are generated primarily from internally-developed premium charges to various governmental and proprietary funds. Expenses of the fund include commercial insurance premiums on the current policy.

A small number of medical / indemnity claims of prior years have continued to linger (retroactive to a time the City's workers compensation coverage was partially self-insured). However, all such claims have reached the stop-loss limits of self-insured coverage, thereby transferring further claim payment burden to a commercial insurance carrier.

EMPLOYEE DISABILITY INCOME PROTECTION FUND

The City of Holland provides a short-term disability income protection coverage through a fully self-funded plan, with the City acting as the administrator. For a legitimate and certified disability, the plan provides for 65% of the employee's gross weekly income (up to \$900), but only after the employee's accumulated sick leave balance is exhausted and a minimum of 30 calendar days of disability has elapsed.

The 'short-term' disability coverage continues for up to a maximum of 48 weeks. A commercial long-term disability plan then provides continuation of coverage, providing 60% of the first \$10,000 of employee's monthly income, up to age 65. The commercial carrier for this plan administers disability claim cases.

Revenues to this fund are generated from internally-developed premium charges to various departments and funds. Expenses include disability income claims, as well as commercial insurance premiums for long-term income protection.

EMPLOYEE & RETIREE HEALTH / DENTAL FUND

Medical/dental insurance is provided for full-time employees and dependents, as well as for retirees, through a partially self-funded plan, with claims administration contracted out to *Blue Cross Blue Shield of Michigan (BCBSM)*. A commercial policy with BCBSM provides a specific stop-loss threshold on individual policies, and an aggregate stop-loss threshold on the entire City of Holland group plan.

Financial planning takes into consideration probable claims and potential worst case scenarios to assure adequate funding to meet medical and dental claims. Revenues to this fund are generated primarily from internal premium charges to departments and funds, to certain employees and retirees with required premium co-payments. Expenses include payments for claims, administrative claim-handling fees, and commercial insurance premiums for stop-loss (excess) coverage's. Various co-pays for certain claims are delineated in the policy.

As a methodology for establishing internal premium rate structure for employer/employees/retirees for an ensuing calendar year, a determination is made to project a fund reserve that is equivalent to approximately 25% of the new calendar year Projected Aggregate Exposure, as calculated. In this process, '*Illustrative Rates*' provided by BCBSM, together with the fund balance cash reserves as of the most recent June 30th are examined as a starting point. If the June 30 cash reserves balance exceeds 25% of the new calendar year Projected Aggregate Exposure, then '*Illustrative Rates*' can be adjusted downward to – in effect – reduce the reserve balance of the next June 30 date. If the June 30 cash reserves balance is less than 25% of the Projected Aggregate Exposure, then the '*Illustrative Rates*' can be adjusted higher to – in effect – increase the reserve balance of the next June 30 date. Notwithstanding this methodology for establishing internal premium rate structures, for the past three years the '*Illustrative Rates*' as provided by BCBSM have been implemented without adjustments.

- - - FUND TYPE: INTERNAL SERVICE FUNDS - - -
(continued)

VEHICLE DAMAGE & LIABILITY FUND

The City of Holland partially self-insures for the cost of repairs or replacement to its damaged vehicles, other than fire emergency vehicles and *Macatawa Area Express (MAX)* public transportation system buses. Claims administration is handled internally by City staff, unless excess coverage or liability claims are involved. No commercial excess coverage is purchased for damages to City vehicles, with the exception of coverage for fire trucks and MAX public transportation system buses, for which a \$1,000 deductible threshold has been established.

A commercial policy provides aggregate coverage for the remote possibility of an entire group of vehicles being simultaneously damaged in a single disaster. The same policy provides first dollar liability coverage for all personal injuries and for property damages to other parties, up to specified coverage limits for 'per occurrence' and 'aggregate'.

Revenues to this fund are generated primarily from internally-developed premium charges to various departments and funds.

Expenses are primarily for self-retention vehicle damage claims, as well as commercial insurance premiums for stop-loss (excess) coverage.

PROPERTY DAMAGE FUND

The City of Holland partially self-insures coverage for the cost of repairs or replacement to its damaged property (other than vehicles). Claims administration is handled internally, except when a claim for excess coverage would be involved. Commercial umbrella coverage is purchased for damages in excess of a \$100,000 retention, per occurrence. The commercial umbrella policies designate specific upper limits of coverage based upon the type of property line. Commercial excess coverage policies provide an aggregate coverage across all municipally-owned property (excluding the Electric Generating Plant and Municipal Airport Property, which are insured under a separate policies outside of this fund).

Revenues to this fund are generated primarily from internally-developed premium charges to various departments and funds.

Expenses are primarily for self-retention property damage claims, as well as commercial insurance premiums for stop-loss (excess) coverage.

GENERAL LIABILITY & PROFESSIONAL LIABILITY FUND

The City of Holland partially self-insures coverage for the cost of General Liability claims against the City. Coverage's for Public Officials Liability and Law Enforcement Liability are also included in this fund. Administration of claims is handled by a contracted third-party administrator. Commercial insurance coverage is purchased for each individual claim occurrence that exceeds a self-funded retention of \$100,000. The commercial policies provide stop-loss protection at \$100,000 'per occurrence' and 'aggregate' after \$500,000 of individual occurrences. The commercial policies also provide additional 'umbrella coverage' up to \$15,000,000 'per occurrence'.

Revenues to this fund are generated primarily from internally-developed premium charges to various departments and funds. Expenses are primarily for payment of liability claims of the general public related to injuries and/or damaged property resulting from administrative errors & omissions, faulty design, negligence, carelessness, etc. Expenses also include commercial insurance premiums for stop-loss (excess) coverage.

CITY OF HOLLAND, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

JUNE 30, 2005

<u>TECHNOLOGY SERVICES</u>				
<u>ASSETS</u>	<u>COMPUTER SERVICES</u>	<u>PHOTOCOPY SERVICES</u>	<u>POSTAGE SERVICES</u>	<u>COMMUNICATION SERVICES</u>
CURRENT ASSETS:				
Cash and pooled investments	\$ 186,675	\$ 116,997	\$ 3,795	\$ 16,142
Accounts receivable	7,691	-	-	-
Prepaid Items	-	-	250	-
Inventories	-	-	3,611	-
Due from other funds	-	-	-	-
Total current assets	194,366	116,997	7,656	16,142
Capital assets				
Construction in progress	15,207	-	-	-
Machinery and equipment	1,095,108	147,454	13,818	137,524
Accumulated depreciation	(803,328)	(104,419)	(4,603)	(85,415)
Total capital assets	306,987	43,035	9,215	52,109
Total assets	501,353	160,032	16,871	68,251
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts payable	8,590	1,208	-	-
Claims payable	-	-	-	-
Accrued payroll and benefits	5,649	-	-	-
Earned employee compensated absences	33,268	-	-	-
Due to other funds	-	-	-	2,377
Total liabilities	47,507	1,208	-	2,377
NET ASSETS:				
Invested in capital assets	306,987	43,035	9,215	52,109
Unrestricted	146,859	115,789	7,656	13,765
Total net assets	\$ 453,846	\$ 158,824	\$ 16,871	\$ 65,874

EQUIPMENT SERVICES			INSURANCE SERVICES		
FUEL DISPENSING	CENTRALIZED VEHICLE/ EQUIPMENT	FIRE VEHICLE	WORKERS COMP	DISABILITY INCOME	HEALTH AND DENTAL
\$ 44,617	\$ 2,495,547	\$ 325,824	\$ 619,669	\$ 43,448	\$ 1,100,921
4,955	5,592	-	37,170	608	40,640
-	-	-	5,000	-	649,124
16,871	17,945	-	-	-	-
7,051	108	-	-	-	-
73,494	2,519,192	325,824	661,839	44,056	1,790,685
-	-	-	-	-	-
50,906	5,763,249	1,969,551	-	-	-
(29,906)	(3,340,542)	(723,476)	-	-	-
21,000	2,422,707	1,246,075	-	-	-
94,494	4,941,899	1,571,899	661,839	44,056	1,790,685
23,541	26,580	-	65,496	-	431
-	-	-	-	-	326,000
-	8,133	-	-	-	-
-	64,647	-	-	-	-
5,338	-	-	-	-	-
28,879	99,360	-	65,496	-	326,431
21,000	2,422,707	1,246,075	-	-	-
44,615	2,419,832	325,824	596,343	44,056	1,464,254
\$ 65,615	\$ 4,842,539	\$ 1,571,899	\$ 596,343	\$ 44,056	\$ 1,464,254

(Continued)

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

INSURANCE SERVICES

<u>ASSETS</u>	<u>VEHICLE</u>	<u>PROPERTY</u>	<u>LIABILITY</u>
CURRENT ASSETS:			
Cash and pooled investments	\$ 176,033	\$ 549,268	\$ 279,005
Accounts receivable	500	1,642	-
Prepaid Items	-	-	20,000
Inventories	-	-	-
Due from other funds	-	-	95
Total current assets	176,533	550,910	299,100
Capital assets			
Construction in progress	-	-	-
Machinery and equipment	-	-	-
Accumulated depreciation	-	-	-
Total capital assets	-	-	-
Total assets	176,533	550,910	299,100
<u>LIABILITIES</u>			
CURRENT LIABILITIES:			
Accounts payable	612	-	14,846
Claims payable	-	-	25,000
Accrued payroll and benefits	-	-	-
Earned employee compensated absences	-	-	-
Due to other funds	-	-	-
Total liabilities	612	-	39,846
NET ASSETS:			
Invested in capital assets	-	-	-
Unrestricted	175,921	550,910	259,254
Total net assets	\$ 175,921	\$ 550,910	\$ 259,254

Exhibit D-1

COMPENSATED ABSENCES	TOTAL
\$ 1,453,483	\$ 7,411,424
-	98,798
-	674,374
-	38,427
-	7,254
1,453,483	8,230,277
-	15,207
-	9,177,610
-	(5,091,689)
-	4,101,128
1,453,483	12,331,405
-	141,304
-	351,000
-	13,782
1,453,483	1,551,398
-	7,715
1,453,483	2,065,199
-	4,101,128
-	6,165,078
\$ -	\$ 10,266,206

(Concluded)

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2005

	TECHNOLOGY SERVICES			
	COMPUTER SERVICES	PHOTOCOPY SERVICES	POSTAGE SERVICES	COMMUNICATION SERVICES
OPERATING REVENUES:				
Premiums	\$ -	\$ -	\$ -	\$ -
Charges for services	548,932	32,602	25,331	107,013
Rentals	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	548,932	32,602	25,331	107,013
OPERATING EXPENSES:				
Personal services	407,931	-	-	-
Other current expenses	98,567	18,741	24,674	97,205
Depreciation expense	120,450	14,827	1,244	15,035
Total operating expenses	626,948	33,568	25,918	112,240
OPERATING INCOME (LOSS)	(78,016)	(966)	(587)	(5,227)
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	4,077	2,545	34	-
Gain (loss) on disposal of capital assets	(8,848)	-	-	(13,912)
Total nonoperating revenues (expenses)	(4,771)	2,545	34	(13,912)
INCOME (LOSS) - Before transfers	(82,787)	1,579	(553)	(19,139)
TRANSFERS:				
Transfers in	-	-	-	8,823
Transfers out	(8,823)	-	-	-
Net transfers in (out)	(8,823)	-	-	8,823
CHANGE IN NET ASSETS	(91,610)	1,579	(553)	(10,316)
NET ASSETS - Beginning of year	545,456	157,245	17,424	76,190
NET ASSETS - End of year	\$ 453,846	\$ 158,824	\$ 16,871	\$ 65,874

EQUIPMENT SERVICES			INSURANCE SERVICES		
FUEL DISPENSING	CENTRALIZED VEHICLE/ EQUIPMENT	FIRE VEHICLE	WORKERS COMP	DISABILITY INCOME	HEALTH AND DENTAL
\$ -	\$ -	\$ -	\$ 316,754	\$ 95,484	\$ 4,421,543
439,744	207,063	-	-	-	-
-	1,575,571	-	-	-	-
-	120	-	80,319	-	-
439,744	1,782,754	-	397,073	95,484	4,421,543
2,003	593,978	-	-	-	-
434,136	744,936	-	296,099	117,350	3,938,236
2,545	416,953	87,863	-	-	-
438,684	1,755,867	87,863	296,099	117,350	3,938,236
1,060	26,887	(87,863)	100,974	(21,866)	483,307
425	55,055	6,357	12,850	1,018	14,630
-	22,980	-	-	-	-
425	78,035	6,357	12,850	1,018	14,630
1,485	104,922	(81,506)	113,824	(20,848)	497,937
-	-	100,000	-	-	-
-	(9,400)	-	(129,900)	-	(2,500)
-	(9,400)	100,000	(129,900)	-	(2,500)
1,485	95,522	18,494	(16,076)	(20,848)	495,437
64,130	4,747,017	1,553,405	612,419	64,904	968,817
\$ 65,615	\$ 4,842,539	\$ 1,571,899	\$ 596,343	\$ 44,056	\$ 1,464,254

(Continued)

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2005

INSURANCE SERVICES

	<u>VEHICLE</u>	<u>PROPERTY</u>	<u>LIABILITY</u>
OPERATING REVENUES:			
Premiums	\$ 160,663	\$ 34,754	\$ 145,931
Charges for services	-	-	-
Rentals	-	-	-
Miscellaneous	6,995	-	-
Total operating revenues	167,658	34,754	145,931
OPERATING EXPENSES:			
Personal services	-	-	-
Other current expenses	186,920	38,197	143,800
Depreciation expense	-	-	-
Total operating expenses	186,920	38,197	143,800
OPERATING INCOME (LOSS)	(19,262)	(3,443)	2,131
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	2,472	11,975	4,700
Gain (loss) on disposal of capital assets	-	-	-
Total nonoperating revenues (expenses)	2,472	11,975	4,700
INCOME (LOSS) - Before transfers	(16,790)	8,532	6,831
TRANSFERS:			
Transfers in	-	-	-
Transfers out	-	-	-
Net transfers in (out)	-	-	-
CHANGE IN NET ASSETS	(16,790)	8,532	6,831
NET ASSETS - Beginning of year	192,711	542,378	252,423
NET ASSETS - End of year	\$ 175,921	\$ 550,910	\$ 259,254

COMPENSATED		
ABSENCES		TOTAL
\$ -	\$	5,175,129
-		1,360,685
-		1,575,571
-		87,434
-		8,198,819
-		1,003,912
-		6,138,861
-		658,917
-		7,801,690
-		397,129
-		116,138
-		220
-		116,358
-		513,487
-		108,823
-		(150,623)
-		(41,800)
-		471,687
-		9,794,519
\$ -	\$	10,266,206

(Concluded)

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

	TECHNOLOGY SERVICES	
	COMPUTER SERVICES	PHOTOCOPY SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ 546,524	\$ 32,648
Payments to suppliers	(96,397)	(21,323)
Payments to employees	(419,914)	-
Net cash provided by (used in) operating activities	30,213	11,325
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	-
Purchase of capital assets	(99,774)	(21,743)
Net cash used in capital and related financing activities	(99,774)	(21,743)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Intergovernmental payments	(8,823)	-
Intergovernmental receipts	-	-
Increase in long-term compensated absences	-	-
Net cash provided by (used in) noncapital financing activities	(8,823)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment earnings	4,077	2,545
Net cash provided by (used in) investing activities	4,077	2,545
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	(74,307)	(7,873)
CASH AND POOLED INVESTMENTS - Beginning of year	260,982	124,870
CASH AND POOLED INVESTMENTS - End of year	\$ 186,675	\$ 116,997
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ (78,016)	\$ (966)
Adjustment to reconcile operating income (loss) to net cash provided from operating activities:		
Depreciation	120,450	14,827
Changes in operating assets and liabilities:		
Accounts receivable	(2,408)	46
Prepaid items	-	-
Inventories	-	-
Due from other funds	-	-
Accounts payable	2,170	(2,582)
Due to other funds	-	-
Accrued payroll and benefits	(12,903)	-
Earned employee compensated absences	920	-
Net cash provided by (used in) operating activities	\$ 30,213	\$ 11,325

TECHNOLOGY SERVICES		EQUIPMENT SERVICES			INSURANCE SERVICES		
POSTAGE SERVICES	COMMUNICATION SERVICES	FUEL DISPENSING	CENTRALIZED VEHICLE/EQUIPMENT	FIRE VEHICLE	WORKERS COMP	DISABILITY INCOME	HEALTH AND DENTAL
\$ 25,331 (21,925)	\$ 115,855 (101,249)	\$ 442,677 (442,856)	\$ 1,777,675 (768,690)	\$ - -	\$ 373,849 (285,822)	\$ 95,352 (117,350)	\$ 4,415,643 (4,351,116)
-	-	(2,003)	(595,968)	-	-	(4,837)	-
3,406	14,606	(2,182)	413,017	-	88,027	(26,835)	64,527
-	3,000	-	96,112	-	-	-	-
-	(16,829)	-	(434,116)	-	-	-	-
-	(13,829)	-	(338,004)	-	-	-	-
-	-	-	(9,400)	-	(129,900)	-	(2,500)
-	8,823	-	-	100,000	-	-	-
-	-	-	-	-	-	-	-
-	8,823	-	(9,400)	100,000	(129,900)	-	(2,500)
34	-	425	55,055	6,357	12,850	1,018	14,630
34	-	425	55,055	6,357	12,850	1,018	14,630
3,440	9,600	(1,757)	120,668	106,357	(29,023)	(25,817)	76,657
355	6,542	46,374	2,374,879	219,467	648,692	69,265	1,024,264
\$ 3,795	\$ 16,142	\$ 44,617	\$ 2,495,547	\$ 325,824	\$ 619,669	\$ 43,448	\$ 1,100,921
\$ (587)	\$ (5,227)	\$ 1,060	\$ 26,887	\$ (87,863)	\$ 100,974	\$ (21,866)	\$ 483,307
1,244	15,035	2,545	416,953	87,863	-	-	-
-	-	(1,194)	(5,069)	-	(26,969)	(132)	(5,620)
(250)	-	-	1,650	-	-	-	(406,726)
3,061	-	(2,645)	(17,945)	-	-	-	-
-	6,882	(1,211)	(10)	-	3,745	-	-
(62)	(4,044)	(6,075)	(7,459)	-	10,277	-	(6,154)
-	1,960	5,338	-	-	-	-	(280)
-	-	-	(1,990)	-	-	(4,837)	-
-	-	-	-	-	-	-	-
\$ 3,406	\$ 14,606	\$ (2,182)	\$ 413,017	\$ -	\$ 88,027	\$ (26,835)	\$ 64,527

(Continued)

CITY OF HOLLAND, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

	INSURANCE SERVICES		
	VEHICLE	PROPERTY	LIABILITY
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from interfund services provided	\$ 167,158	\$ 33,112	\$ 145,836
Payments to suppliers	(188,227)	(38,197)	(141,634)
Payments to employees	-	-	-
Net cash provided by (used in) operating activities	(21,069)	(5,085)	4,202
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash used in capital and related financing activities	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental payments	-	-	-
Intergovernmental receipts	-	-	-
Increase in long-term compensated absences	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	2,472	11,975	4,700
Net cash provided by (used in) investing activities	2,472	11,975	4,700
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	(18,597)	6,890	8,902
CASH AND POOLED INVESTMENTS - Beginning of year	194,630	542,378	270,103
CASH AND POOLED INVESTMENTS - End of year	\$ 176,033	\$ 549,268	\$ 279,005
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (19,262)	\$ (3,443)	\$ 2,131
Adjustment to reconcile operating income (loss) to net cash provided from operating activities:			
Depreciation	-	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(500)	(1,642)	(12,680)
Prepaid items	-	-	-
Inventories	-	-	-
Due from other funds	-	-	(95)
Accounts payable	(1,307)	-	14,846
Due to other funds	-	-	-
Accrued payroll and benefits	-	-	-
Earned employee compensated absences	-	-	-
Net cash provided by (used in) operating activities	\$ (21,069)	\$ (5,085)	\$ 4,202

Exhibit D-3

COMPENSATED ABSENCES	TOTAL
\$ -	\$ 8,171,660
-	(6,574,786)
-	(1,022,722)
-	574,152
-	99,112
-	(572,462)
-	(473,350)
-	(150,623)
-	108,823
1,453,483	1,453,483
1,453,483	1,411,683
-	116,138
-	116,138
1,453,483	1,628,623
-	5,782,801
\$ 1,453,483	\$ 7,411,424
\$ -	\$ 397,129
-	658,917
-	(56,168)
-	(405,326)
-	(17,529)
-	9,311
-	(390)
-	7,018
-	(19,730)
-	920
\$ -	\$ 574,152

(Concluded)

- - - FUND TYPE: FIDUCIARY FUNDS - - -

Fiduciary Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Included are:

- expendable trust funds (both principal & earnings are spendable)
 - non-expendable trust funds (only earnings are spendable)
 - agency funds
-

CURRENT TAX COLLECTIONS FUND (an Agency Fund)

The Current Tax Collections Fund performs the role of a central receiving agency for collection and disposition of all current year property taxes that are levied on the City of Holland tax roll.

Receipts include property taxes that are collected on behalf of various local area district library, local area swimming pool authority, local area public schools, an intermediate school district, state education, two counties, as well as the City of Holland. Collections of special assessment installments are also recorded in this fund.

Distribution payments are made semi-monthly to each of the respective taxing jurisdictional units, as determined from analysis of software-generated detail.

OUTSIDE AGENCIES COLLECTIONS FUND (an Agency Fund)

This fund performs the role of a central receiving agency for collection and disposition of various delinquent taxes, assessments, and certain other designated revenues of other governmental jurisdictions and authorities.

Receipts include such items as delinquent personal property taxes, mobile home park monthly fees, dog license fees, advance payments on unbonded special assessments, and state food license fees.

Distribution payments are made to the respective governmental units at the conclusion of each calendar month, as determined from analysis of software-generated detail.

EMPLOYEES FLEXIBLE SPENDING AGENCY FUND (an Agency Fund)

Section 125 of the Internal Revenue Code authorizes an employer to establish an *Employee Flexible Spending Account Plan* to receive designated funds from employee pre-tax withholdings, and to disburse payments for eligible employee expenses. Costs for dependent child care and various medical expenses are considered eligible under this plan.

A contracted third-party administrator provides a record-keeping service for all transactions of each employee, to include analysis and approval of individual expense submittals from each of the employees. Upon approval and preparation of flex reimbursement checks to the employees for eligible expenses incurred, the third-party administrator bills the City of Holland for the total of all flex reimbursement checks written for a particular time period.

Employee payroll withholdings may also be designated for required employee premium payments to the City's Self-Funded Employee Health & Dental Insurance Plan. Such employee payments are not disbursed to the third-party administrator, but are distributed directly to the City's self-insurance fund.

This fund performs the role of custodial agent for unexpended employee cash withholding balances, together with financial accountability of employee withholdings (deposits into the fund) and reimbursements to employees for eligible expenses incurred (disbursements from the fund).

- - - FUND TYPE: FIDUCIARY FUNDS - - -
(continued)

IMPREST PAYROLL FUND (an Agency Fund)

This fund provides custodial agent accountability for total cash of each individual payroll.

Receipts into the fund include payment received from each of the City's funds to which gross payroll amounts are charged.

Disbursements out of the fund include:

- payments to various governmental agencies and private-sector entities, representing mandatory and elective withholdings from employees 'gross pay'
- payment of 'net pay' to employees, in the form of checks or as employee-designated electronic direct deposits to financial institutions.

CITY OF HOLLAND, MICHIGAN

COMBINING BALANCE SHEET
FIDUCIARY FUNDS

JUNE 30, 2005

AGENCY FUNDS					
	CURRENT TAX COLLECTIONS	OUTSIDE AGENCIES COLLECTIONS	EMPLOYEES' FLEXIBLE SPENDING PLAN	IMPREST PAYROLL	TOTALS
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and pooled investments	\$ -	\$ 63,657	\$ 17,409	\$ 192,665	\$ 273,731
Accounts receivable	81,533	1,860	1,103	3,086	87,582
Total assets	\$ 81,533	\$ 65,517	\$ 18,512	\$ 195,751	\$ 361,313
<u>LIABILITIES AND FUND EQUITY</u>					
LIABILITIES:					
Accounts payable	\$ -	\$ 55,920	\$ 379	\$ 33,767	\$ 90,066
Due to other funds	81,533	-	-	-	81,533
Due to other governmental units	-	9,597	-	161,825	171,422
Other accrued liabilities and deposits	-	-	18,133	159	18,292
Total liabilities	\$ 81,533	\$ 65,517	\$ 18,512	\$ 195,751	\$ 361,313

CITY OF HOLLAND, MICHIGAN
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS

YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	ADDITIONS	REDUCTION	BALANCE JUNE 30, 2005
<u>CURRENT TAX COLLECTIONS FUND</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$ -	\$ 53,720,002	\$ 53,720,002	\$ -
Accounts receivable	-	514,480	432,947	81,533
Total assets	\$ -	\$ 54,234,482	\$ 54,152,949	\$ 81,533
<u>LIABILITIES</u>				
Due to other funds	\$ -	\$ 81,533	\$ -	\$ 81,533
Due to other governmental units	-	53,689,917	53,689,917	-
Total liabilities	\$ -	\$ 53,771,450	\$ 53,689,917	\$ 81,533
<u>OUTSIDE AGENCIES COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$ 169,545	\$ 1,089,207	\$ 1,195,095	\$ 63,657
Accounts receivable	-	2,360	500	1,860
Total assets	\$ 169,545	\$ 1,091,567	\$ 1,195,595	\$ 65,517
<u>LIABILITIES</u>				
Accounts payable	\$ 163,803	\$ 1,048,883	\$ 1,156,766	\$ 55,920
Due to other governmental units	5,742	515,310	511,455	9,597
Total liabilities	\$ 169,545	\$ 1,564,193	\$ 1,668,221	\$ 65,517
<u>EMPLOYEES' FLEXIBLE SPENDING PLAN</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$ 10,249	\$ 284,994	\$ 277,834	\$ 17,409
Accounts receivable	4,822	111,026	114,745	1,103
Total assets	\$ 15,071	\$ 396,020	\$ 392,579	\$ 18,512
<u>LIABILITIES</u>				
Accounts payable	\$ 1,110	\$ 7,007	\$ 7,738	\$ 379
Other accrued liabilities and deposits	13,961	284,016	279,844	18,133
Total liabilities	\$ 15,071	\$ 291,023	\$ 287,582	\$ 18,512

(Continued)

CITY OF HOLLAND, MICHIGAN

COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS

YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	ADDITIONS	REDUCTION	BALANCE JUNE 30, 2005
<u>IMPREST PAYROLL FUND</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$ 60,317	\$ 43,615,547	\$ 43,483,199	\$ 192,665
Account receivable	-	3,086	-	3,086
Total assets	\$ 60,317	\$ 43,618,633	\$ 43,483,199	\$ 195,751
<u>LIABILITIES</u>				
Accounts payable	\$ 24,503	\$ 1,088,432	\$ 1,079,168	\$ 33,767
Due to other governmental units	32,777	3,553,641	3,424,593	161,825
Other accrued liabilities and deposits	3,037	9,242,681	9,245,559	159
Total liabilities	\$ 60,317	\$ 13,884,754	\$ 13,749,320	\$ 195,751
<u>TOTALS - ALL FUNDS</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$ 240,111	\$ 98,709,750	\$ 98,676,130	\$ 273,731
Accounts receivable	4,822	630,952	548,192	87,582
Total assets	\$ 244,933	\$ 99,340,702	\$ 99,224,322	\$ 361,313
<u>LIABILITIES</u>				
Accounts payable	\$ 189,416	\$ 2,144,322	\$ 2,243,672	\$ 90,066
Due to other funds	-	81,533	-	81,533
Due to other governmental units	38,519	57,758,868	57,625,965	171,422
Other accrued liabilities and deposits	16,998	9,526,697	9,525,403	18,292
Total liabilities	\$ 244,933	\$ 69,511,420	\$ 69,395,040	\$ 361,313

(Concluded)

- - - FUND TYPE: COMPONENT UNIT FUNDS - - -

A component unit is a legally separate entity that satisfies at least one of the following criteria:

- The primary government (City of Holland) is financially accountable for the legally separate entity.
 - The nature and significance of the relationship between the primary government and the legally separate entity is such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete.
-

BROWNFIELD REDEVELOPMENT AUTHORITY FUNDS

The Brownfield Redevelopment Authority Financing Act, State of Michigan P.A. 381 of 1996, as amended, establishes a method for municipalities to facilitate and promote revitalization of environmentally contaminated and/or blighted and functionally obsolete sites. Two primary tax incentives made available through this legislation include

- (1) State of Michigan Single Business Tax Credits
- (2) a City of Holland Tax Increment Financing (TIF).

By Action No. 01.613 dated September 19, 2001, the Holland City Council adopted a resolution to establish a Brownfield Redevelopment Authority for the City of Holland, together with a governing board of directors. Two funds are established to account for approved Brownfield Project Plans:

- one is to separately record receipt of locally derived tax increment financing monies
- the other is to record payments to developers for reimbursement of eligible costs incurred involving cleanup and/or redevelopment.

A separate fund is established for each approved project site, to record revenues from Tax Increment Financing 'captured property taxes'; and to record reimbursement payments to project developers for authorized redevelopment expenditure outlays. The City's Brownfield Redevelopment Authority Board – together with the State of Michigan – establish parameters for Tax Increment Financing captures and eligible types of reimbursable expenditures to developers.

As of the fiscal year ending June 30, 2005 six individual Brownfield Redevelopment Projects have been approved, with the current status of each project delineated as follows:

BROWNFIELD REDEVELOPMENT PROJECT SITES	T I F Capture Base Year	Brownfield Construction Activity
570 East 16 th Street (former General Electric location)	2002	In Progress
29 East 6 th Street (former City refuse landfill location)	2002	Completed
635 East 48 th Street (former Textron Micromatics location)	2002	Completed
345 East 48 th Street (former Lifesavers location)	2004	In Progress
13 West 4 th Street (current Steketee VanHuis location)	2003	Not Started
573 Columbia Avenue (former Baker Furniture location)	2004	In Progress

[Note: 'Tax Increment Financing' (TIF) capture provisions for this specific project are delayed for up to seven years because this same Brownfield Project is also established as a 'Neighborhood Enterprise Zone' (NEZ), freezing property taxes at a fixed dollar level for the duration of this seven year NEZ period.]

- - - COMPONENT UNITS - - -
(continued)

DOWNTOWN DEVELOPMENT AUTHORITY FUND

The Downtown Development Authority (DDA) Fund was established in May 1984 with adoption of City Ordinance Number 757, under authority granted by State of Michigan, Public Act 197 of 1975, as amended. The Main Street Program, modeled somewhat after the national program with the same name, is the mechanism used for administering operations and programs, under direction of a DDA board of directors.

Activities include a program for low interest loans to improve both exteriors and interiors of downtown buildings; recruitment of new businesses to downtown area; improved ambiance for shoppers such as assistance with window displays, a sidewalk hanging banners program, improved shopping atmosphere through new and expanded decorations and music; and presentations to area groups and news media which promotes the downtown area. Most activities performed by the DDA are provided for benefit of the private sector.

This fund provides financial accountability for the administration and general operations of the DDA.

HOLLAND HISTORICAL TRUST FUND

Holland Historical Trust is a Michigan non-profit corporation with its own board of directors that is not appointed by the Holland City Council. However, this fund is currently financially dependent upon the City of Holland for a substantial portion of its overall financing.

Primary revenue sources include an annual contribution from the City of Holland - General Fund and bequests from the private sector. The portion of this fund that represents accumulated bequests – with limitations placed upon use of the contributed principal – is established as non-expendable.

This fund provides financial accountability for the administration, operations and general maintenance of two local area historical buildings: Holland Museum and Cappon House.

CITY OF HOLLAND, MICHIGAN

BALANCE SHEET
COMPONENT UNITS

JUNE 30, 2005

	<u>ASSETS</u>	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>BROWNFIELD REDEVELOPMENT AUTHORITY</u>
CURRENT ASSETS:			
Cash and pooled investments		\$ 154,855	\$ 1,580
Taxes receivable		134	65
Prepaid Items		200	-
Total assets		\$ 155,189	\$ 1,645
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts payable		\$ 8,611	\$ -
Accrued payroll and fringe benefits		977	-
Total liabilities		9,588	-
FUND BALANCES:			
Unreserved:			
Designated for promotions		10,000	-
Undesignated		135,601	1,645
Total fund balance		145,601	1,645
Total liabilities and fund balance		\$ 155,189	\$ 1,645

CITY OF HOLLAND, MICHIGAN

Reconciliation of Fund Balances on the Balance Sheet
for the Downtown Development Authority to Net Assets of
the Governmental Activities on the Statement of Net Assets

JUNE 30, 2005

Fund balances - total governmental funds	\$ 145,601
--	------------

Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Add - capital assets, net	160,260
---------------------------	---------

Net assets of governmental activities	<u>\$ 305,861</u>
---------------------------------------	-------------------

CITY OF HOLLAND, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 COMPONENT UNITS

YEAR ENDED JUNE 30, 2005

	DOWNTOWN DEVELOPMENT AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY
REVENUES:		
Property taxes	\$ 155,632	\$ 45,686
Intergovernmental	4,610	-
Investment earnings	4,547	356
Contributions and bequests	10,400	2,844
Total revenues	175,189	48,886
EXPENDITURES:		
Personal services	64,554	-
Current operating expenditures	89,608	50,085
Capital outlay	250	-
Total expenditures	154,412	50,085
NET CHANGE IN FUND BALANCE	20,777	(1,199)
FUND BALANCE - Beginning of year	124,824	2,844
FUND BALANCE - End of year	\$ 145,601	\$ 1,645

CITY OF HOLLAND, MICHIGAN

Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balances of the Downtown Development
Authority to the Statement of Activities

YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds	\$ 20,777
--	-----------

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Deduct - net capital asset disposals	(59)
Deduct - depreciation expense	<u>(10,947)</u>

Change in net assets of governmental activities	<u>\$ 9,771</u>
---	-----------------

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

DOWNTOWN DEVELOPMENT AUTHORITY

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Property taxes	\$ 155,623	\$ 155,632	\$ 155,632	\$ -
Intergovernmental	4,610	4,610	4,610	-
Contributions from private sector	10,400	10,400	10,400	-
Investment earnings	5,170	5,400	4,547	(853)
Total revenues	175,803	176,042	175,189	(853)
EXPENDITURES:				
Personal services	114,700	82,940	64,554	18,386
Other services and charges	102,800	108,673	89,608	19,065
Contingency	5,000	24,700	-	24,700
Capital outlay	3,000	2,750	250	2,500
Total expenditures	225,500	219,063	154,412	64,651
NET CHANGE IN FUND BALANCES	(49,697)	(43,021)	20,777	63,798
FUND BALANCE - Beginning of year	124,824	124,824	124,824	-
FUND BALANCE - End of year	\$ 75,127	\$ 81,803	\$ 145,601	\$ 63,798

CITY OF HOLLAND, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL

BROWNFIELD REDEVELOPMENT AUTHORITY

YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Property taxes	\$ 36,647	\$ 45,659	\$ 45,686	\$ 27
Intergovernmental	-	-	-	-
Contributions	35,086	2,844	2,844	-
Investment earnings	48	317	356	39
Total revenues	71,781	48,820	48,886	66
EXPENDITURES:				
Personal services	-	-	-	-
Other services and charges	71,781	51,606	50,085	1,521
Capital outlay	-	-	-	-
Total expenditures	71,781	51,606	50,085	1,521
NET CHANGE IN FUND BALANCES	-	(2,786)	(1,199)	1,587
FUND BALANCE - Beginning of year	2,844	2,844	2,844	-
FUND BALANCE - End of year	\$ 2,844	\$ 58	\$ 1,645	\$ 1,587

CITY OF HOLLAND
NET ASSETS BY COMPONENT
FOR THE LAST THREE FISCAL YEARS

	Fiscal Year		
	2005	2004	2003
Governmental activities			
Invested in capital assets, net of related debt	\$ 41,668,796	\$ 27,487,076	\$ 4,326,052
Restricted	11,469,701	3,412,885	3,041,791
Unrestricted	21,156,010	30,711,466	41,516,219
Total governmental activities net assets	<u>\$ 74,294,507</u>	<u>\$ 61,611,427</u>	<u>\$ 48,884,062</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 146,437,083	\$ 142,754,355	\$ 139,109,944
Restricted	6,402,803	10,712,670	10,089,985
Unrestricted	74,394,903	70,573,561	71,126,895
Total business-type activities net assets	<u>\$ 227,234,789</u>	<u>\$ 224,040,586</u>	<u>\$ 220,326,824</u>
Primary Government			
Invested in capital assets, net of related debt	\$ 188,105,879	\$ 170,241,431	\$ 143,435,996
Restricted	17,872,504	14,125,555	13,131,776
Unrestricted	95,550,913	101,285,027	112,643,114
Total primary government net assets	<u>\$ 301,529,296</u>	<u>\$ 285,652,013</u>	<u>\$ 269,210,886</u>

CITY OF HOLLAND
CHANGES IN NET ASSETS
FOR THE LAST THREE FISCAL YEARS

Expense	Fiscal Year		
	2005	2004	2003
Governmental activities:			
General government	\$ 6,376,009	\$ 6,055,106	\$ 5,076,083
Public Safety	10,544,833	9,787,165	9,567,243
Public Works	5,324,083	3,330,034	3,267,272
Culture and recreation	6,013,457	5,725,045	5,755,879
Welfare and social services	1,310,458	1,371,551	1,390,845
Interest on debt	1,498,919	2,150,038	1,621,923
Total governmental activities expenses	31,067,759	28,418,939	26,679,245
Business-type activities:			
Electric Utility	65,698,626	59,519,913	56,964,153
Wastewater Utility	7,235,531	7,068,457	7,019,711
Water Utility	4,858,304	4,927,953	4,574,975
Other enterprise activities	5,086,577	4,793,862	4,524,561
Total business-type activities expenses	82,879,038	76,310,185	73,083,400
Total primary government expenses	\$ 113,946,797	\$ 104,729,124	\$ 99,762,645
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 2,418,923	\$ 2,639,966	\$ 1,993,105
Public safety	952,885	893,450	836,797
Culture and recreation	968,203	904,771	901,904
Other activities	651,398	520,492	465,134
Operating grants and contributions	1,961,673	1,813,765	1,625,468
Capital grants and contributions	14,868,097	13,085,189	3,710,288
Total governmental activities program revenues	21,821,179	19,857,633	9,532,696
Business-type activities:			
Charges for services:			
Electric Utility	67,001,967	64,819,973	64,463,883
Wastewater Utility	6,634,140	6,912,837	7,099,310
Water Utility	5,213,380	5,251,241	4,924,641
Other enterprise activities	2,158,971	1,731,232	1,690,390
Operating grants and contributions	1,701,262	1,829,910	1,796,648
Capital grants and contributions	3,484,614	1,136,306	1,487,949
Total business-type activities program revenue	86,194,334	81,681,499	81,462,821
Total primary government program revenue	\$ 108,015,513	\$ 101,539,132	\$ 90,995,517

(Continued)

CITY OF HOLLAND
CHANGES IN NET ASSETS
FOR THE LAST THREE FISCAL YEARS

	Fiscal Year		
	2005	2004	2003
Net (Expense)/Revenue			
Governmental activities	\$ (9,246,580)	\$ (8,561,306)	\$ (17,146,549)
Business-type activities	3,315,296	5,371,314	8,379,421
Total primary government net expense	<u>\$ (5,931,284)</u>	<u>\$ (3,189,992)</u>	<u>\$ (8,767,128)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property taxes	\$ 16,033,637	\$ 15,286,387	\$ 14,898,818
Intergovernmental	3,265,596	3,412,306	3,700,383
Investment earnings	611,338	479,191	986,897
Miscellaneous	-	-	(156,220)
Transfers	2,019,089	2,110,785	1,378,919
Total governmental activities	<u>21,929,660</u>	<u>21,288,669</u>	<u>20,808,797</u>
Business-type activities:			
Property taxes	111,020	217,306	234,954
Investment earnings	1,786,976	235,927	2,037,688
Miscellaneous	-	-	19,348
Transfers	(2,019,089)	(2,110,785)	(1,378,919)
Total business-type activities	<u>(121,093)</u>	<u>(1,657,552)</u>	<u>913,071</u>
Total primary government	<u>\$ 21,808,567</u>	<u>\$ 19,631,117</u>	<u>\$ 21,721,868</u>
Change in Net Assets			
Governmental activities	\$ 12,683,080	\$ 12,727,363	\$ 3,662,248
Business-type activities	3,194,203	3,713,762	9,292,492
Total primary government	<u>\$ 15,877,283</u>	<u>\$ 16,441,125</u>	<u>\$ 12,954,740</u>

(Concluded)

CITY OF HOLLAND
FUND BALANCES FOR GOVERNMENTAL FUNDS
FOR THE LAST THREE FISCAL YEARS

	Fiscal Year		
	2005	2004	2003
General Fund			
Reserved	\$ -	\$ -	\$ -
Unreserved	2,543,921	2,551,853	2,789,935
Total general fund	<u>\$ 2,543,921</u>	<u>\$ 2,551,853</u>	<u>\$ 2,789,935</u>
All Other Governmental Funds			
Reserved			
Spceial revenue funds	\$ -	\$ 3,700,089	\$ 3,611,008
Capital projects funds	5,142,821	-	-
Debt service funds	907,645	-	-
Permanent trust funds	1,820,603	1,827,723	1,758,561
Unreserved, reported in:			
Special revenue funds	6,815,229	4,402,875	6,627,218
Capital projects funds	-	-	214,983
Debt service funds	-	937,873	948,239
Other funds	-	5,119,179	15,178,311
Total all other governmental funds	<u>\$ 14,686,298</u>	<u>\$ 15,987,739</u>	<u>\$ 28,338,320</u>

CITY OF HOLLAND
CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS
FOR THE LAST THREE FISCAL YEARS

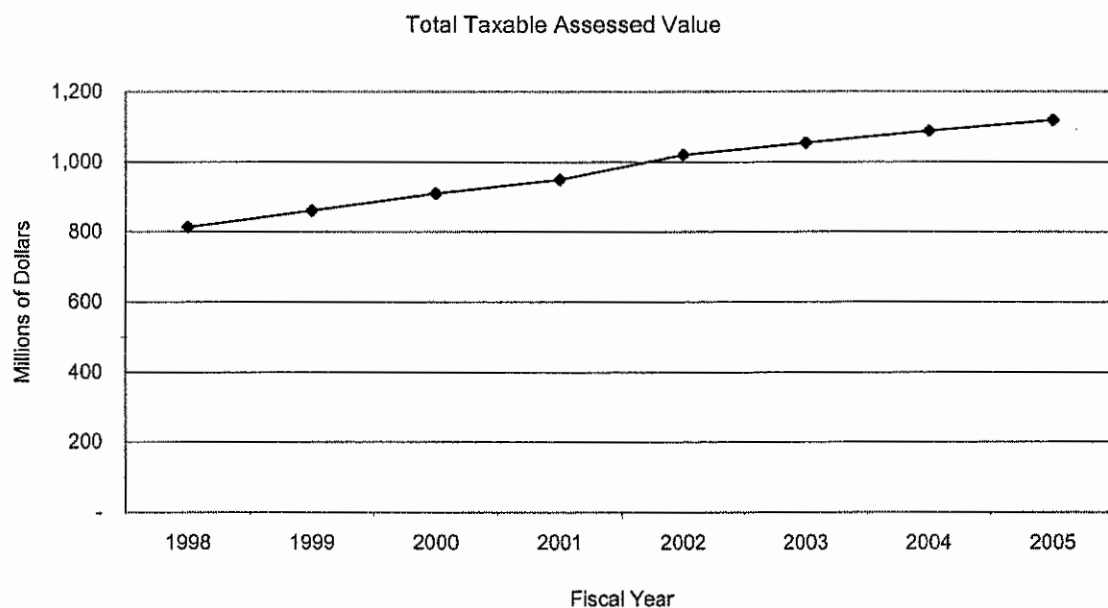
	Fiscal Year		
	2005	2004	2003
Revenues			
Taxes	\$ 16,033,637	\$ 15,633,888	\$ 15,190,306
Licenses, fees and permits	510,922	482,360	450,298
Fines and penalties	450,799	434,164	430,223
Contributions from private sector	456,891	811,369	599,173
Charges for services	1,118,339	1,032,832	1,065,981
Special assessments	583,084	609,316	546,185
Intergovernmental	19,848,219	17,815,507	8,705,043
Investment earnings	3,317,548	3,161,838	2,805,317
Other revenues	125,155	24,538	34,637
Total revenues	42,444,594	40,005,812	29,827,163
Expenditures			
General government	5,748,867	5,566,723	4,880,548
Public safety	10,438,435	9,529,234	9,022,053
Public works	3,043,671	3,024,687	3,068,727
Welfare and social services	1,369,692	582,131	543,109
Culture and recreation	5,196,498	5,844,799	5,773,547
Other	147,246	144,212	216,841
Capital outlay	16,301,232	26,310,205	10,282,213
Debt service			
Interest	1,489,744	2,266,535	1,421,970
Principal	2,079,475	1,829,475	1,286,975
Total expenditures	45,814,860	55,098,001	36,495,983
Excess of revenues over (under) expenditures	\$ (3,370,266)	\$ (15,092,189)	\$ (6,668,820)
Other Financing Sources (Uses)			
Transfers in	\$ 8,919,203	7,835,073	9,688,603
Transfers out	(6,858,314)	(5,811,547)	(7,368,213)
Bond issue and land contract	-	480,000	19,675,000
Total other financing sources (uses)	2,060,889	2,503,526	21,995,390
Net change in fund balances	\$ (1,309,377)	\$ (12,588,663)	\$ 15,326,570
Debt service as a percentage of noncapital expenditures	12.1%	14.2%	10.3%

CITY OF HOLLAND
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 FOR THE LAST EIGHT FISCAL YEARS

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property*	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1998	\$ 378,693,690	\$ 183,033,428	\$ 318,860,198	\$ 5,797,467	\$ 73,397,750	\$ 812,987,033	\$ 13.4830
1999	396,059,672	195,831,762	335,998,564	5,871,997	74,159,800	859,602,195	14.2273
2000	410,154,781	207,418,840	362,558,939	5,635,136	77,017,650	908,750,046	14.1827
2001	426,485,335	219,886,744	376,412,034	6,865,685	80,350,300	949,299,498	14.1827
2002	448,617,062	237,946,637	404,771,983	6,933,247	78,213,700	1,020,055,229	14.1827
2003	474,597,871	239,774,170	405,105,419	7,213,887	72,615,350	1,054,075,997	14.0000
2004	496,712,932	258,448,815	394,638,205	7,505,158	69,610,550	1,087,694,560	14.0000
2005	524,341,222	262,986,849	393,924,363	6,434,551	69,356,000	1,118,330,985	14.0000

*Other property includes agricultural, developmental and utilities.

Note: Only eight years of information were available.



CITY OF HOLLAND
DIRECT AND OVERLAPPING PROPERTY TAX RATES
FOR THE LAST TEN FISCAL YEARS
(Rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates						Ottawa	
	General Obligation			Herrick District Library	MAX Public Transit	Total Direct	State of Michigan	Intermediate Area Schools
	Basic Rate	Debt Service	Capital Projects					
1996	9.1102	1.1216	1.7424	1.0380	0.2000	13.2122	6.0000	3.4730
1997	8.8498	1.1216	1.8348	0.9811	0.3750	13.1623	6.0000	3.4730
1998	8.9900	1.1216	1.6078	1.4886	0.2750	13.4830	6.0000	3.4664
1999	8.8790	1.2840	2.5470	1.3673	0.1500	14.2273	6.0000	3.4588
2000	8.8000	1.2500	2.6000	1.3827	0.1500	14.1827	6.0000	4.3353
2001	8.9389	1.1000	2.6000	1.3938	0.1500	14.1827	6.0000	4.2999
2002	8.8389	1.1108	2.6000	1.3830	0.2500	14.1827	6.0000	4.2854
2003	9.0000	1.3620	2.0376	1.3770	0.2234	14.0000	6.0000	4.2688
2004	9.2421	1.5000	1.7000	1.3579	0.2000	14.0000	5.0000	4.2305
2005	9.4180	2.0910	1.0500	1.3410	0.1000	14.0000	6.0000	4.2192

1.8439 must be added to the city direct rate, for the fiscal year 2005, for all properties in the Downtown Development Authority (DDA) area. This rate applies to approximately 7.5% of the City of Holland's tax base.

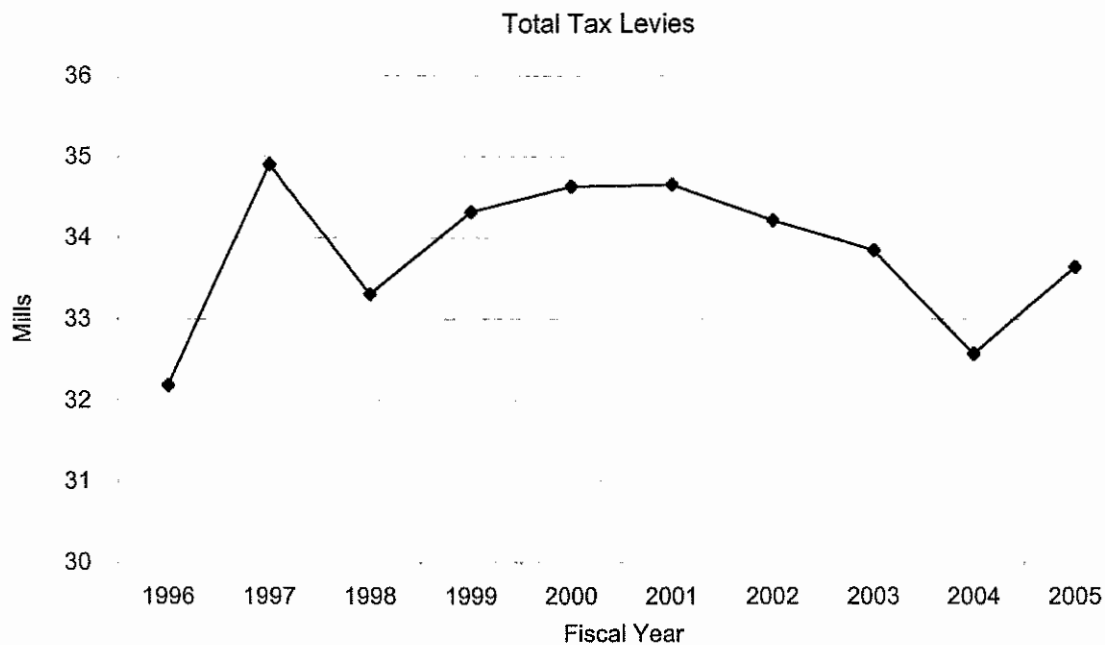
* Overlapping rates:

The City of Holland is located in both Ottawa and Allegan County and Holland, Hamilton and Zeeland School District. The county and school tax paid by property owners depends on the location of their property. Approximately 80% of the City of Holland is located in Ottawa County and 20% in Allegan County.

Principal residence rates apply to those homes that are owned and occupied as primary residence. Non-principal residence rates are applied to all other residences.

Overlapping Rates*

Holland Community Swimming Pool	Counties		School Districts					
			Holland		Hamilton		Zeeland	
			Principal	Non-Principal	Principal	Non-Principal	Principal	Non-Principal
	Ottawa	Allegan	Residence	Residence	Residence	Residence	Residence	Residence
0.5500	5.4490	6.5561	3.5000	21.5000	2.4000	20.4000	6.6300	24.6300
1.0500	4.7165	6.0061	6.5000	24.5000	2.4000	20.4000	6.6300	24.6300
1.4600	4.6985	6.0533	4.2000	22.2000	2.4000	20.3208	6.6275	24.6275
1.5000	4.4804	6.0164	4.6500	22.6500	5.4000	23.1881	7.0222	25.0222
1.4876	4.3812	6.9406	4.2468	22.2468	7.4000	25.4000	8.0236	26.0236
1.7500	4.3760	6.8551	4.0441	22.0441	7.4000	25.4000	8.0116	26.0116
1.7282	4.2722	6.7631	3.7426	21.7426	7.4000	25.4000	8.0074	26.0074
1.6667	4.1672	6.7583	3.7412	21.7412	7.4000	25.4000	7.9965	25.9965
1.5900	4.1611	6.6879	3.5868	21.5868	7.4000	25.4000	8.0010	26.0010
1.5700	4.2593	6.6275	3.5968	21.5968	7.4000	25.4000	8.0300	26.0300



The total tax levy reflects principal residence tax rates for citizens living in Ottawa County and the Holland School District.

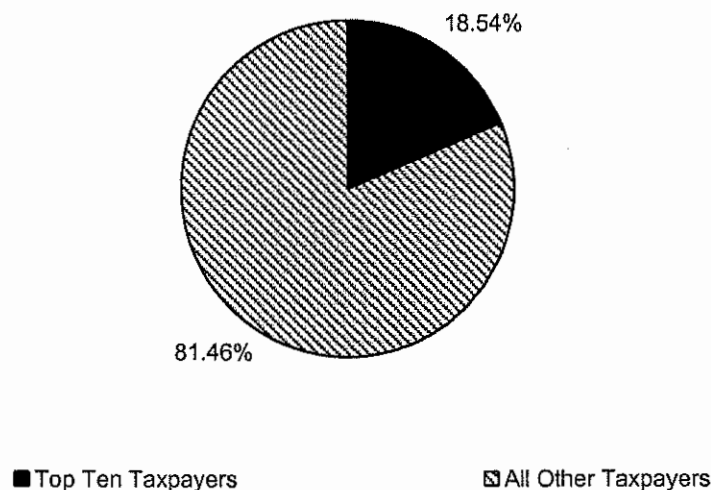
CITY OF HOLLAND
PRINCIPAL PROPERTY TAX PAYERS
FOR THE CURRENT FISCAL YEAR AND NINE YEARS AGO

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Johnson Controls Interiors	\$ 72,069,096	1	6.44 %	\$ 28,901,062	2	4.15 %
Haworth, Inc	48,815,588	2	4.37	36,464,208	1	5.24
ARC Holland Real Estate	18,775,724	3	1.68	-----		----
Hydro Automotive Structures	15,953,167	4	1.43	-----		----
H.J. Heinz Co	11,184,383	5	1.00	7,492,134	7	1.08
Lumir Corp	9,233,005	6	0.83	7,595,853	6	1.09
New West Michigan Ind Inv LLC	8,656,100	7	0.77	-----		----
Brooks Beverage	8,322,922	8	0.74	7,250,600	8	1.04
Herman Miller, Inc	7,535,386	9	0.67	9,707,765	5	1.39
Meijer Realty Co	6,829,489	10	0.61	-----		----
Prince Corp	-----		----	-----		----
Planters Lifesaver Co	-----		----	28,559,000	3	4.10
Freedom Village	-----		----	11,938,200	4	1.71
Donnelly Corp	-----		----	6,118,267	9	0.88
A & C Company	-----		----	5,403,441	10	0.78
	<u>\$ 207,374,860</u>		<u>18.54</u>	<u>\$ 149,430,530</u>		<u>21.46</u>

Source: City of Holland Assessor's Office

2005 Total Taxable Value is \$1,118,330,985, which includes IFT's at equivalency valuation.

Concentration of 2005 Taxpayers



CITY OF HOLLAND
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 9,834,203	\$ 9,824,050	99.90 %	\$ 3,598	\$ 9,827,648	99.93 %
1997	10,386,530	10,385,277	99.99	3,960	10,389,237	100.03
1998	11,264,034	11,247,338	99.85	3,999	11,251,337	99.89
1999	12,709,308	12,695,733	99.89	6,269	12,702,002	99.94
2000	13,330,230	13,313,672	99.88	3,689	13,317,361	99.90
2001	13,918,773	13,858,935	99.57	10,337	13,869,272	99.64
2002	14,957,549	14,521,784	97.09	38,246	14,560,030	97.34
2003	15,221,185	14,826,300	97.41	126,030	14,952,330	98.23
2004	15,682,955	15,596,119	99.45	38,634	15,634,753	99.69
2005	16,111,453	16,015,933	99.41	-	16,015,933	99.41

Source: City of Holland Assessor's Office and Finance Office.

* Excludes the DDA tax levy and Brownfield Redevelopment Authority tax levy, both of which are component units.



CITY OF HOLLAND
 RATIOS OF OUTSTANDING DEBT BY TYPE
 FOR THE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Windmill Island Bonds
	General Obligation Bonds	Building Authority Bonds	Michigan Transportation Bonds	Special Assessment Bonds	Environmental Clean-up Costs	
1996	\$ -	\$ 5,460,000	\$ 5,910,000	\$ 755,000	\$ 162,500	\$ 357,336
1997	-	4,950,000	5,745,000	885,000	182,700	317,716
1998	-	11,890,000	5,395,000	1,165,000	165,000	273,096
1999	-	13,840,000	5,010,000	1,060,000	150,000	223,476
2000	-	13,465,000	4,590,000	2,524,838	135,000	173,859
2001	-	12,990,000	4,135,000	2,332,863	120,000	119,239
2002	-	12,465,000	3,665,000	2,935,892	105,000	59,619
2003	175,000	31,365,000	3,185,000	2,728,913	90,000	-
2004	464,500	30,830,000	2,665,000	2,496,942	75,000	-
2005	452,000	29,550,000	2,105,000	2,269,963	60,000	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

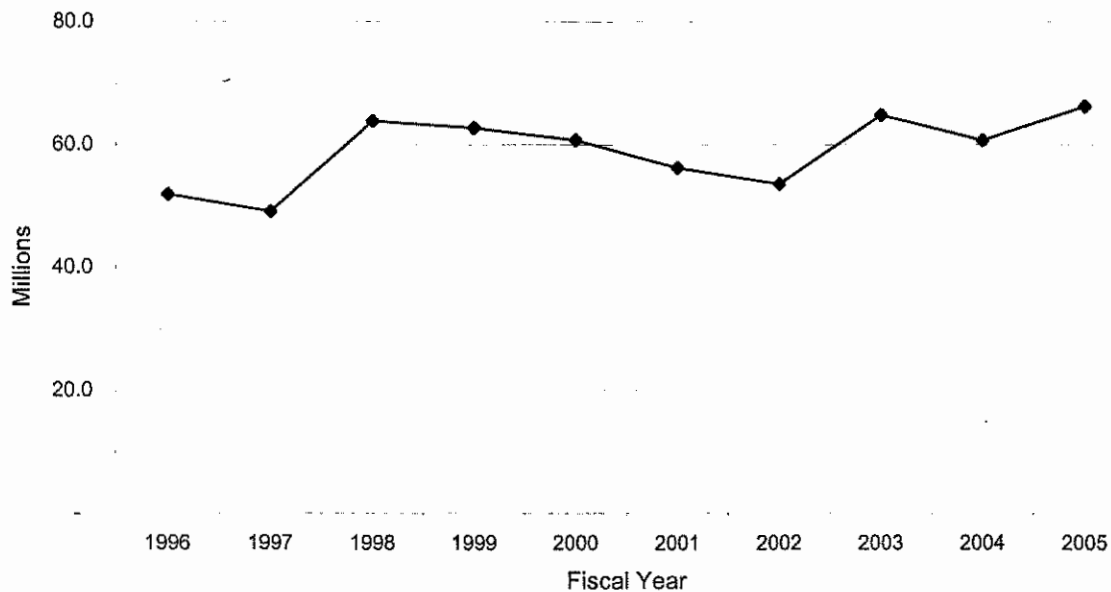
* In addition to \$7.8 million of refunding water bonds, the city issued over \$18 million of new water bonds in 2005.

** See Exhibit E-1 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Business-Type Activities

Airport Bonds	Loan Payable	County Bonds	Water Bonds*	Electric Bonds	Total Primary Government	Percentage of Personal Income**	Per Capita**
\$ 347,277	\$ 11,460	\$ 8,953,202	\$ -	\$ 29,869,898	\$ 51,826,673	10.42 %	\$ 2,440
325,277	3,125	8,190,596	-	28,348,274	48,947,688	9.16	2,244
301,277	-	7,385,000	10,855,881	26,318,029	63,748,283	11.18	2,847
275,277	-	7,108,500	10,563,466	24,455,652	62,686,371	10.26	2,733
246,277	-	6,814,500	10,264,424	22,471,021	60,684,919	9.47	1,783
215,277	-	6,503,000	9,940,735	19,783,893	56,140,007	8.41	2,344
182,277	-	6,135,231	9,596,705	18,342,982	53,487,706	7.91	2,196
146,277	-	5,749,962	9,227,299	12,112,889	64,780,340	9.45	2,629
108,277	-	5,343,692	8,837,488	9,858,096	60,678,995	8.51	2,432
70,000	-	4,919,923	19,232,309	7,581,005	66,240,200	8.69	2,625

PRIMARY GOVERNMENT DEBT



CITY OF HOLLAND
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
FOR THE LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value* of Property	Per Capita**
	General Obligation Bonds	Building Authority Bonds	Total		
1996	\$ -	\$ 5,460,000	\$ 5,460,000	Not Available	\$ 26
1997	-	4,950,000	4,950,000	Not Available	23
1998	-	11,890,000	11,890,000	1.46 %	53
1999	-	13,840,000	13,840,000	1.61	60
2000	-	13,465,000	13,465,000	1.48	57
2001	-	12,990,000	12,990,000	1.37	54
2002	-	12,465,000	12,465,000	1.22	51
2003	175,000	31,365,000	31,540,000	2.99	128
2004	464,500	30,830,000	31,294,500	2.88	125
2005	452,000	29,550,000	30,002,000	2.68	119

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

* See Exhibit C-1 for property value data.

** Population data can be found in Exhibit E-1.

CITY OF HOLLAND
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2005

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Ottawa Area Intermediate School District	\$ 7,815,000	11.19%	\$ 874,499
Hamilton School District	32,935,000	20.75%	6,834,013
Holland School District	25,593,526	79.37%	20,313,582
Zeeland School District	104,280,000	0.02%	20,856
Allegan County	30,954,934	11.33%	3,507,194
Ottawa County	95,194,536	7.78%	7,406,135
Holland Area Community Swimming Pool Authority	8,615,000	79.37%	6,837,726
Subtotal, overlapping debt			45,794,005
City direct debt			30,586,886
Total direct and overlapping debt			\$ 76,380,891

Sources: Assessed value data used to estimate applicable percentages provided by the 2005 Allegan and 2005 Ottawa Equalization Reports. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Holland. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF HOLLAND
LEGAL DEBT MARGIN INFORMATION
FOR THE LAST TEN FISCAL YEARS

	1996	1997	1998	1999
Debt Limit	\$ 72,438,130	\$ 76,642,222	\$ 81,298,703	\$ 85,960,220
Total net debt applicabale to limit	14,393,177	13,505,910	19,736,501	21,316,062
Legal debt margin	\$ 58,044,953	\$ 63,136,312	\$ 61,562,202	\$ 64,644,158
Total net debt applicable to the limit as a percentage of debt limit	24.80%	21.39%	32.06%	32.97%

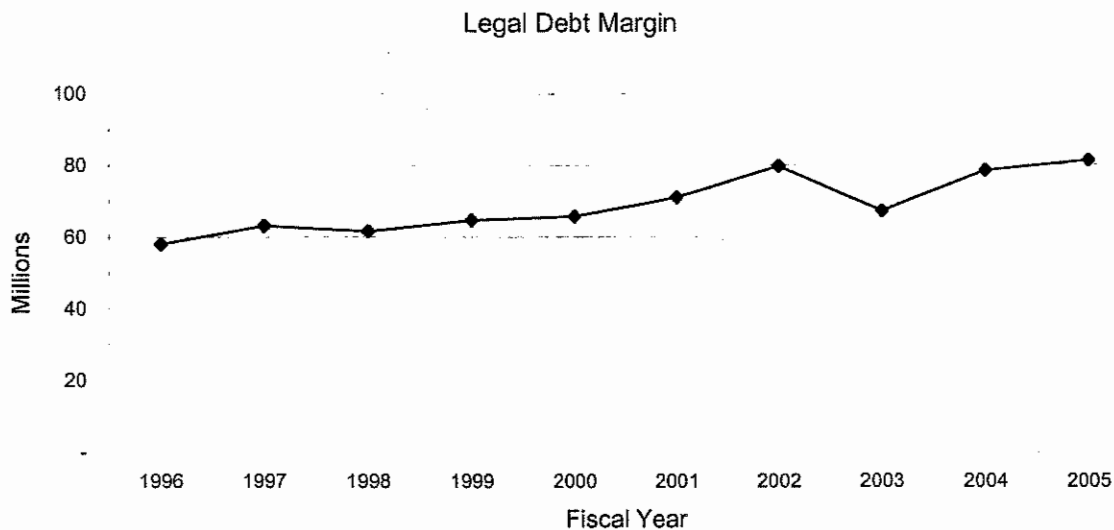
Note: The City of Holland is legally indebted for the Building Authority Bonds issued in 1999 and 2004 for the Herrick District Library Expansion Project. Payment of approximately 62.1% of the debt is committed to be paid by three area local governmental jurisdictions based upon an executed Library Support Agreement. A uniform millage rate is levied annually across the four (including the City of Holland) participating governmental units to support this debt repayment. For practical purpose 62.1% of \$6,645,000, or \$4,126,545, should be added to the Legal Debt Margin shown above.

Under state finance law, the city's outstanding general obligation debt should not exceed 10% of total assessed property value.

Legal Debt Margin Calculation for Fiscal Year 2005

Assessed value	\$ 1,118,330,985
Debt limit (10% of assessed value)	111,833,099
Debt applicable to limit:	
General obligation bonds	452,000
Building authority bonds	24,205,000
County bonds	5,929,886
Less: Amount set aside for repayment of debt	(25,426)
Total net debt applicable to limit	30,561,460
Legal debt margin	\$ 81,271,639

Fiscal Year					
2000	2001	2002	2003	2004	2005
\$ 90,875,005	\$ 94,929,950	\$ 102,005,523	\$ 105,407,600	\$ 108,769,456	\$ 111,833,099
25,201,358	23,920,167	22,414,826	38,328,920	30,405,457	30,561,460
\$ 65,673,647	\$ 71,009,783	\$ 79,590,697	\$ 67,078,680	\$ 78,363,999	\$ 81,271,639
38.37%	33.69%	28.16%	57.14%	38.80%	37.60%



CITY OF HOLLAND
 PLEDGED-REVENUE COVERAGE
 FOR THE LAST TEN FISCAL YEARS

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1996	\$ 2,903,173	\$ 2,657,983	\$ 245,190	\$ -	\$ -	-
1997	3,078,033	2,781,244	296,789	-	-	-
1998	3,235,995	2,782,642	453,353	-	274,570	1.65
1999	3,745,739	3,585,853	159,886	300,000	543,365	0.19
2000	4,212,442	3,597,719	614,723	315,000	531,054	0.73
2001	4,163,215	3,976,810	186,405	335,000	517,399	0.22
2002	4,531,347	3,837,553	693,794	355,000	502,559	0.81
2003	4,924,641	4,086,454	838,187	380,000	486,383	0.97
2004	5,251,241	4,399,197	852,044	400,000	368,866	1.11
2005	5,379,837	4,361,641	1,018,196	7,875,534	439,965	0.12

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses include depreciation but exclude interest expense. The 2005 principal payment for the water revenue bonds represents the amount of the outstanding debt refunded.

CITY OF HOLLAND
 PLEDGED-REVENUE COVERAGE
 FOR THE LAST TEN FISCAL YEARS

Electric Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1996	\$ 46,307,386	\$ 38,869,476	\$ 7,437,910	\$ 1,494,475	\$ 1,857,152	2.22
1997	48,211,234	40,557,145	7,654,089	1,564,739	1,766,701	2.30
1998	50,772,158	42,073,851	8,698,307	2,088,649	1,646,421	2.33
1999	54,062,413	46,106,130	7,956,283	1,936,040	1,496,954	2.32
2000	58,242,489	48,469,635	9,772,854	2,062,909	1,338,657	2.87
2001	65,355,287	53,510,216	11,845,071	2,774,684	1,161,439	3.01
2002	63,597,866	53,019,357	10,578,509	1,489,972	1,049,417	4.17
2003	64,463,883	56,134,987	8,328,896	6,493,955	829,166	1.14
2004	64,819,973	59,062,650	5,757,323	2,254,793	405,568	2.16
2005	67,001,967	64,234,249	2,767,718	2,415,000	178,595	1.07

CITY OF HOLLAND
 PLEDGED-REVENUE COVERAGE
 FOR THE LAST TEN FISCAL YEARS

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
1996	\$ 599,861	\$ 265,000	\$ 64,957	1.82
1997	620,116	250,000	47,668	2.08
1998	550,354	145,000	55,488	2.75
1999	365,168	105,000	62,678	2.18
2000	509,263	130,000	56,317	2.73
2001	211,193	191,975	124,878	0.67
2002	639,273	196,975	113,954	2.06
2003	321,621	206,975	142,923	0.92
2004	451,133	231,975	132,415	1.24
2005	298,087	226,975	118,420	0.86

CITY OF HOLLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
1995	212,370	\$ 4,972,542	\$ 23,415	3.2%
1996	218,169	5,344,844	24,499	3.0%
1997	223,915	5,700,349	25,458	2.6%
1998	229,401	6,108,511	26,628	2.4%
1999	234,916	6,408,233	18,823	2.4%
2000	239,505	6,677,656	27,881	2.7%
2001	243,557	6,763,271	27,769	4.1%
2002	246,449	6,858,601	27,830	5.4%
2003	249,547	7,129,647	28,570	5.9%
2004	252,351	7,621,757	30,203	5.6%

The demographic and economic statistics provided are for the metropolitan statistical area of Holland-Grand Haven.

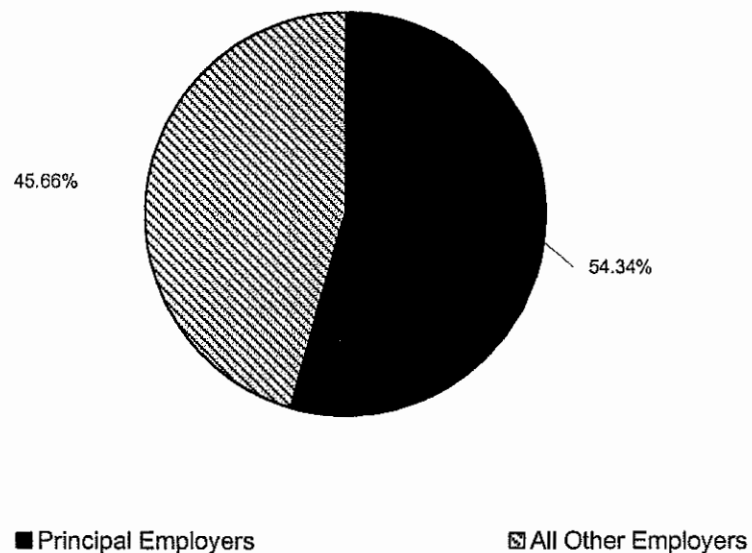
Source Data: State U.S. Bureau of Economic Analysis and Michigan Department of Labor & Economic Growth.

CITY OF HOLLAND
PRINCIPAL EMPLOYERS
FOR THE CURRENT YEAR

Employer	2004		Percentage of Total City Employment
	Employees	Rank	
Johnson Controls Interiors	4,947	1	31.30 %
Haworth Inc	2,142	2	13.55
Holland Community Hospital	1,500	3	9.49
	8,589		54.34

Sources: Human Resources survey used with permission.
Holland Community Hospital 2004 annual report.

2004 Principal Employers



Note: Employment Information from 9 years ago was unavailable.

CITY OF HOLLAND
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 FOR THE LAST TEN FISCAL YEARS

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General government										
Management services	4.75	4.75	4.75	4.65	5.20	4.60	4.60	4.65	3.55	3.65
Fiscal services	15.00	15.00	14.00	14.00	14.00	14.00	15.00	14.90	14.90	14.90
City clerk	2.90	3.40	2.90	3.15	4.08	3.88	3.88	3.88	3.88	3.00
Human resources	1.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.25	2.25
Building	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cemetery	4.10	4.10	4.25	4.70	4.25	4.25	4.25	4.25	4.15	4.15
Planning	2.70	2.70	2.70	2.70	2.70	2.70	3.05	2.90	2.40	3.50
Technology	6.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	5.00
Public safety										
Police	73.65	73.65	73.80	73.80	73.80	73.80	76.00	76.00	75.00	74.50
Fire	58.00	58.00	58.00	59.00	59.00	59.00	59.00	59.00	58.00	58.00
Environmental health & inspections	8.00	8.00	9.00	9.00	9.80	11.80	11.80	11.90	11.90	11.50
Public works										
Streets	22.15	22.15	22.15	22.15	22.15	22.15	22.15	19.40	20.04	19.74
Engineering	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.90	2.90	2.90
Transit	1.50	1.50	1.50	1.60	2.70	2.60	2.60	2.25	2.43	0.98
Centralized vehicle maintenance	7.50	7.50	7.50	7.70	7.40	7.65	7.65	7.65	6.90	8.78
Welfare and social services										
Ourstreet / Human relations	4.80	3.80	3.80	4.55	4.55	4.60	5.80	5.80	6.00	5.05
Economic development assistance	1.85	1.85	1.85	1.85	1.85	1.85	1.50	1.85	1.85	2.10
Downtown development	2.00	2.00	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.05
Culture and recreation										
Recreation	5.55	5.55	5.60	5.80	5.60	5.60	5.60	5.60	5.60	4.60
Parks	17.05	17.05	17.80	15.80	14.80	15.60	15.60	15.75	14.75	14.65
Civic Center	2.85	2.85	2.85	2.30	2.50	2.50	2.50	2.50	2.50	1.75
Board of Public Works Utilities	167.00	171.50	171.50	171.50	172.50	174.50	178.00	182.00	182.00	187.00
Total	409.70	413.70	414.45	414.75	417.38	422.58	430.48	434.68	429.15	431.05

Source: City of Holland Finance Office

CITY OF HOLLAND
OPERATING INDICATORS BY FUNCTION
FOR THE LAST TEN FISCAL YEARS

Function	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Cemetery										
Burials	305	294	271	311	297	286	295	298	283	260
Police										
Physical arrests	2,780	2,016	2,227	2,678	2,828	2,902	2,871	3,084	3,096	2,972
Parking violations	10,088	8,624	6,802	7,410	6,254	8,760	7,769	6,930	4,581	5,678
Traffic violations	11,725	11,460	10,429	12,522	10,352	9,827	9,442	10,524	8,430	7,946
Fire										
Emergency responses	2,769	2,718	2,802	2,601	2,587	2,731	2,538	2,511	2,597	2,562
Fires	314	128	322	264	274	270	164	188	212	118
Medical Emergencies	1,921	1,865	1,850	1,692	1,619	1,633	1,599	1,661	1,742	1,644
Inspections	2,270	2,270	2,781	1,380	1,101	992	407	49	75	112
Public works										
Street resurfacing (miles)	10.0	7.0	6.7	6.9	7.9	9.5	6.6	6.4	6.7	6.5
Street cut permits	322	267	321	374	304	343	356	285	282	371
Community & neighborhood services										
Number of construction permits:										
Industrial & commercial	113	125	109	136	163	127	108	98	132	110
Residential	586	724	680	697	683	724	787	825	709	631
Institutional & municipal	*****	Information Not Available			25	21	31	24	35	30
Value of construction permits (thousands of dollars)										
Industrial & commercial	44,394	27,605	21,608	16,216	23,192	21,949	22,316	13,717	27,518	12,687
Residential	16,719	10,239	11,215	9,780	9,952	9,936	12,711	25,661	16,517	17,574
Institutional & municipal	*****	Information Not Available			10,318	7,500	29,114	20,786	35,235	44,336
Culture and recreation										
Program participants	14,092	14,406	17,070	19,091	18,508	15,472	16,531	16,817	16,067	17,795
Pool attendance	15,820	15,893	15,985	11,777	13,582	14,633	10,661	11,639	11,106	11,500

<u>Function</u>	<u>Fiscal Year</u>									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Water										
Service connections	11,074	11,599	11,816	11,903	12,317	12,790	12,927	13,039	13,209	13,162
Average daily consumption (thousands of gallons)	12,682	13,156	13,017	13,554	12,756	12,079	12,876	13,336	12,161	12,517
Wastewater										
Service connections	11,134	11,232	11,425	11,418	11,671	11,744	11,861	12,024	12,097	12,107
Average daily consumption (thousands of gallons)	8,128	8,369	8,023	7,929	8,375	8,867	8,950	8,345	9,071	8,941
Transit										
Total route miles	332,234	318,250	325,104	334,318	442,629	642,151	619,309	628,112	642,101	670,062
Passengers	151,381	153,645	153,944	152,457	142,195	176,592	185,741	170,620	172,946	184,807

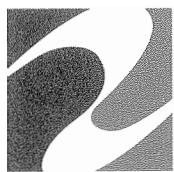
Source: Various city departments

CITY OF HOLLAND
CAPITAL ASSET STATISTICS BY FUNCTION
FOR THE LAST TEN FISCAL YEARS

Function	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Cemeteries	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	23	24	24	20	20	17	18	18	18
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	142.80	142.80	142.80	145.01	151.15	151.15	151.15	151.7	157.1	159.3
Streetlights	1,924	2,136	2,172	2,184	2,234	4,224	4,354	4,383	4,435	4,495
Culture and recreation										
Park acreage	353.2	353.3	371	371	423.2	423.8	423.8	423.8	448	448
Parks	17	18	19	19	20	21	21	21	24	24
Baseball/softball diamonds	8	8	8	8	8	8	8	9	9	9
Soccer fields	9	9	9	9	9	9	9	9	9	9
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	20	20	20	20	20	20	21	21	21	21
Stadiums	1	1	1	1	1	1	1	1	1	1
Nature centers	1	1	1	1	1	1	1	1	1	1
Tourist attractions	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	206.00	192.27	193.80	216.40	216.53	220.24	221.51	221.88	221.09	226.45
Fire hydrants	1,926	1,885	2,014	2,032	2,071	2,071	2,081	2,112	2,110	2,166
Maximum daily capacity of plant (thousands of gallons)	28,000	28,000	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500
Wastewater										
Sanitary sewers (miles)	151.50	161.10	162.80	166.10	158.31	161.47	164.70	164.74	165.49	177.46
Storm sewers (miles)	120.9	121.5	133.0	133.0	134.0	134.0	134.0	134.0	134.0	131.9
Maximum daily capacity of plant (thousands of gallons)	16,000	16,000	16,000	16,000	16,000	12,000	12,000	12,000	12,000	12,000
Transit										
Number of vehicles	12	12	12	12	19	20	20	21	21	23

Source: Various city departments

Note: No capital asset indicators are available for the welfare and social services function.



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

November 4, 2005

Members of the City Council
City of Holland
Holland, Michigan

In planning and performing our audit of the financial statements of the City of Holland for the year ended June 30, 2005, we considered the City's internal control to determine our auditing procedures for the purpose of expressing an opinion of the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the City's internal control in our report dated November 4, 2005 on the financial statements of the City of Holland. This letter does not affect our report dated November 4, 2005 on the financial statements of the City Holland.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, perform any additional study of these matters, or to assist management in implementing the recommendations.

Our comments are summarized as follows:

NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board recently issued Statements No. 43 *Financial Reporting for Post Employment Benefit Plans other Than Pension Plans*. Statement No. 43 will become effective for the City for fiscal year 2007-2008 and will require additional disclosure, an actuarial evaluation of those employee benefits granted to retirees and additional expenditure recognition in the government-wide financial statements. We have discussed this new statement with your staff and we will be working with your staff to implement this new accounting standards.

CASH RECEIPTING PROCESS

During our audit we observed cash receipting policies and procedures at various decentralized collection sites. Based on these observations and various other procedures we suggest that additional policies be implemented to strengthen internal controls. The following is a summary of suggested policies and observations:

- A formal cash receipts policy should be in place at each location describing the City's expectations of employees handling cash as well as the proper procedures to be followed.
- The City should require use of a "*For Deposit Only: City of Holland*" stamp at all locations accepting checks.
- The City should consider notification/signage which identifies that customers should receive a receipt with each purchase (at applicable locations).
- At the police department, we noted that cash collected is not reconciled to the receipts which have been written. Periodically several days' worth of receipts are matched with cash from the drawer and remitted to the Treasurer's office. Since there is no requirement to reconcile receipts written to cash maintained at the Police Department, employees could use current revenue to cover past receipts. We recommend that the City implement a policy that requires receipts for any given week to be submitted along with the appropriate amount of cash by a certain day in the subsequent week. This will ensure that record keeping for these transactions is kept current and will improve internal controls over the collection process.

TIMELY TRANSACTION PROCESSING

During our audit we became aware of the fact that cash receipts as well as vendor invoices and related disbursement documentation was not always being provided to the Finance Department in a timely manner. A component of strong internal control is the timely processing and posting of accounting transactions and appropriate safeguarding of assets. We suggest that the City management and staff be reminded that timely transmission of both receipts and disbursement information is necessary to maintain internal control and facilitate an informed decision making process.

We wish to thank the Finance Director and the many staff involved in the audit process for their support and assistance during our audit.

This report is intended solely for the information and use of the City Council, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive, flowing style with a large initial 'L'.